

103
CORRUPTION IN PROFESSIONAL BOXING—Part II

Y 4. G 74/9: S. HRG. 103-184

Corruption in Professional Boxing-P...

HEARINGS
BEFORE THE
PERMANENT
SUBCOMMITTEE ON INVESTIGATIONS
OF THE
COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
ONE HUNDRED THIRD CONGRESS
FIRST SESSION

MARCH 10 AND APRIL 1, 1993

Printed for the use of the Committee on Governmental Affairs



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[ERRATA]

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The above referenced hearing before the Senate Committee on Labor, was inadvertently printed with the incorrect publication number of S. HRG. 103-184.

The correct designation is S. HRG. 103-184, Part II.

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CORRUPTION IN PROFESSIONAL BOXING

Part II

WEDNESDAY, MARCH 10, 1993

U.S. SENATE,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:37 a.m., in room SD-342 Dirksen Senate Office Building, Hon. Sam Nunn, Chairman of the Subcommittee, presiding.

Present: Senators Nunn, Roth, Dorgan, Cohen, Cochran, and McCain.

Staff Present: Eleanore J. Hill, Chief Counsel; Mary D. Robertson, Chief Clerk; Harold B. Lippman, Investigator; Cynthia Comstock, Executive Assistant to Chief Counsel; Daniel F. Rinzel, Minority Chief Counsel; Stephen H. Levin, Minority Counsel; Mary E. Michels, Minority Counsel; W. Leighton Lord III, Minority Counsel; Scott Orchard, Minority Investigator; Sallie B. Cribbs, Minority Executive Assistant to the Chief Counsel; Carla J. Martin, Minority Assistant Chief Clerk; Dale Cabaniss, Senator Stevens; Jennifer Urff; Senator Dorgan; Gene Harrington, Senator Dorgan; Paul Brubaker, Senator Cohen; Matt Frost, Senator Cohen; Grant Fox, Senator Cochran; and Paul Feeney, Senator McCain.

OPENING STATEMENT OF SENATOR NUNN

Senator NUNN. The Subcommittee will come to order.

This morning, the Permanent Subcommittee on Investigations continues our examination of regulatory problems and health and safety in professional boxing. The hearings today and those scheduled for later this month build on the hearings held last August, which resulted from an investigation initiated by the Subcommittee's ranking minority member, Senator Roth, and his staff.

In August, professional boxers, State boxing commissioners, boxing experts, and other boxing industry representatives offered testimony that raised questions about the role of State regulatory agencies and sanctioning bodies in protecting the interests of professional boxers. Since the August hearing, Senator Roth and his staff have been following up on the testimony presented at that time.

In today's hearings, we will be receiving additional testimony on health, safety, and other related issues. I believe that today's testimony will focus on alleged weaknesses and loopholes within profes-

sional boxing's regulatory structures and national governing bodies.

We will hear first from Representative Bill Richardson of New Mexico. Bill, we are delighted to have you here this morning. For many years, Congressman Richardson has strongly favored the establishment of a Federal entity to regulate and oversee professional boxing in our country.

Following his testimony, the minority staff will present a summary of the findings arising from their most recent work.

Following them will be a panel of medical experts who will discuss various health and safety issues such as injuries experienced by boxers and reforms that may help prevent these injuries.

Finally, we will hear from two cable television network executives who will discuss the nature of their industry's involvement in professional boxing.

As I have so many times in the past, I again thank and commend Senator Roth and his staff for their hard, diligent work.

Professional boxing has long been a means for easily exploiting disadvantaged youth to try to escape their otherwise limited circumstances. As such, it is important that the industry and its regulators recognize the need to maintain appropriate health and safety standards to protect those young men who are drawn to the sport as a means to achieve fame and fortune.

With that in mind, I look forward to today's testimony and I am turning the gavel over to Senator Roth, who will conduct the hearing.

OPENING STATEMENT OF SENATOR ROTH

Senator ROTH. Thank you, Mr. Chairman. I want to express my appreciation for your cooperation and that of your staff.

Our previous hearings revealed, as you mentioned, gaps in boxing's regulatory structure that threaten the very foundation of the sport. Boxing regulators from several States testified that if boxing is not cleaned up, it is in danger of driving itself out of existence.

We have learned that boxers are frequently exploited financially, that they have little power to protect their own interests. The financial power in boxing is overwhelmingly tilted towards promoters, managers, and those who pay the freight for the big fights, usually television.

The State regulatory agencies, the athletic commissions, or the boxing commissioners are supposed to stand between the boxer and the people with the financial power in order to protect the boxers. We heard testimony last August, and we will hear more today, about how even the most well-intentioned State regulators find their rules easily evaded.

For example, Nevada has a rule against option contracts which tie boxers to a particular promoter for multiple fights. Promoters routinely evade that regulation even for fights held in Nevada by having multiple contracts for the same fight, a Nevada contract with no options and another real contract which includes options. Whatever one's opinion about the fairness of option contracts, the fact is that the Nevada regulation has little effect.

State regulators are supposed to protect the health and safety of boxers. How well is that function being performed? We heard testimony last August from the New York Boxing Commissioner about a boxer named Ricky Stackhouse. Stackhouse was banned from boxing in New York because he was considered as no longer having the ability to adequately defend himself. Stackhouse was also banned in Florida for the same reason, but nevertheless was subsequently allowed to fight in Detroit, Michigan, not just against any fighter, but against IBF middleweight champion James Toney, and, predictably, Stackhouse was knocked out in the third round of the fight.

The New York Commissioner testified as to the travesty of a regulatory system that would allow this boxer to continue to box anywhere. Seated next to the New York Commissioner when he testified here in August was the New Jersey Boxing Commissioner. And where did Ricky Stackhouse next appear in the ring? In Atlantic City, New Jersey, 4 months after our August hearing, where he was knocked out again in the third round. Well, so much for health and safety.

Under boxing's current regulatory structure, young boxers like Dave Tiberi from Delaware are denied victories they win in the ring, organized crime figures are allowed to assert influence in the boxing business, and the health and the safety of boxers is not protected as it should be.

Boxing has, for decades, provided opportunity to young men, many of whom are underprivileged, to advance themselves. These young men deserve much better assurance that their health and safety, as well as their financial earnings, will be better protected than under the current inadequate regulatory system.

Today we will hear important testimony about health and safety issues from several respected and knowledgeable physicians. In addition, we will hear testimony from HBO Sports and ESPN, the cable sports channel. HBO arguably plays one of the most important roles in the business of boxing today. ESPN broadcasts more boxing shows than any other entity.

We hope to hear at a later date about the current influence of organized crime in professional boxing.

Again, I thank you, Mr. Chairman, for your leadership and support.

PREPARED STATEMENT OF SENATOR ROTH

In August of last year, this Subcommittee held 2 days of hearings on the professional boxing industry. As we continue our investigation today and in the future, I want to commend Senator Nunn for his leadership in pursuing this important investigation, and I want to thank his staff for their support.

Our previous hearings revealed gaps in boxing's regulatory structure that threaten the very foundation of the sport. Boxing regulators from several States testified that if boxing is not cleaned up, it is in danger of driving itself out of existence.

We learned that boxers are frequently exploited financially, and that they have little power to protect their own interests. The financial power in boxing is overwhelmingly tilted towards promoters, managers and those who pay the freight for the big fights, usually television.

The State regulatory agencies, the athletic commissions, or the boxing commissioners, are supposed to stand between the boxer and the people with the financial power in order to protect the boxers. But we heard testimony last August, and we will hear more today, about how even the most well intentioned State regulators find their rules easily evaded. For example, Nevada has a rule against option con-

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We hope to hear further testimony at a later date about the current influence of organized crime in professional boxing.

Again, thank you, Mr. Chairman, for your leadership and support.

Senator NUNN. Thank you, Senator Roth.

I believe that Congressman Richardson is the first witness to appear this morning.

Senator ROTH. That is correct.

Senator NUNN. Senator Cohen, do you have a statement?

OPENING STATEMENT OF SENATOR COHEN

Senator COHEN. Mr. Chairman, I will be very brief. I have a brief statement I would like to insert in the record and will just offer a couple of comments.

This is a continuation, as both you and Senator Roth have indicated, of hearings that began last fall. What is striking to me is the fact that no action whatsoever has been taken by the boxing community in the wake of those initial hearings. Ordinarily, when a Senate hearing or investigation is undertaken, at least most industries make some symbolic steps toward reform in order to stave off what otherwise might be some far-reaching Federal regulation.

In this particular case, the boxing community has done nothing. They have simply decided to place intransigence over intelligence. I would simply say to the boxing community that boxing is going to have to change if it is going to survive. Those who are in positions to make these decisions ought to be taking some steps right now in order to provide for uniform rules and testings and oversight, if

they are going to avoid having the Congress impose some far-reaching measures.

I hope that we will continue this effort to look into the inadequacies of the state-regulated boxing provisions, the inadequacies of medical oversight, and the lack of oversight of those who are really responsible for organizing and promoting boxing.

PREPARED STATEMENT OF SENATOR COHEN

I would like to thank the Chairman and Senator Roth for holding this hearing to examine the regulation of professional boxing.

Last August, this Subcommittee began its investigation of corruption in professional boxing with 2 days of hearings into fight fixing and the influence of organized crime. Today we will pick up where we left off and explore some of the important issues that we touched on last year. We will inquire into the deficiencies of the current state-regulated boxing system, the inadequate medical oversight of boxing, and the licensing of those who wield the power in boxing.

Boxing must change if it is to survive. Boxing supporters have always parried the charge that boxing is a brutal, atavistic sport with the reply that boxing offers an avenue of escape for underprivileged young men willing to sweat and bleed for a better life. This romantic, rags-to-riches picture is increasingly overshadowed by the seamier snapshots of boxing—of Duk Koo Kim lying dead of a brain injury; of throngs of advisors, promoters, and managers picking the pockets of naive young boxers; of talented boxers cast by the wayside because, though they can pack a punch, they can't pack a crowd.

Unfortunately, the boxing community seems to be a little slow on the uptake. In the wake of a Senate hearing, other industries would have made at least some symbolic effort at reform. The boxing community, however, has unwisely decided to put intransigence before intelligence, and has taken no serious steps towards self-improvement.

I believe that it is vital that the boxing community move to assure boxing critics and fans alike that it has the best interests of young fighters in mind. I hope never again to have to hear stories of punch-dulled fighters, shuffling from state to state to escape lifetime bans and make a few hundred bucks. If the powers that be in boxing hope to forestall Federal regulation in this arena, I would strongly suggest that they begin to work together to develop uniform standards for boxing and a central database to contain fighter information.

I believe that this hearing offers a sterling opportunity to diagnose the ailments afflicting the current state-regulated boxing system and to explore possible cures for these maladies. I also hope that it may provide the platform for any necessary legislative prescription for change.

Senator NUNN. Thank you very much, Senator Cohen.

We are pleased to welcome two new Subcommittee members. Senator McCain is certainly not new to the Senate. Senator Dorgan, we welcome you to this Subcommittee. Senator McCain. I believe you have just become a member of the Subcommittee. We are delighted to have both of you here. Of course, Senator McCain, being on the same Committee is not new to us. We have been on the same Armed Services Committee for a long time, but we know both of you are going to make a real contribution.

I call on Senator Dorgan for any opening statement, and then Senator McCain.

OPENING STATEMENT OF SENATOR DORGAN

Senator DORGAN. Mr. Chairman, thank you very much.

I want to simply make note that my former colleague, Congressman Richardson, is with us. I have worked with Bill for about 8 years on boxing legislation over in the House. At one point, I sponsored my own legislation. In the last Congress and in the previous

Congress to that, I joined Congressman Richardson in cosponsoring his legislation. I have an abiding interest in this issue.

I am not a boxer. If I were a boxer, I wouldn't be a very good boxer, but I enjoy the sport. It is indeed, in my judgment, a sport that is in desperate need of some kind of regulation and oversight to protect the health, safety, security and future of young people who all too often are used and abused by people who don't care very much for the human side of the sport.

So I want to welcome my former colleague, Mr. Richardson. I am anxious to hear him testify and I am anxious to work with Senator Roth and others who have an interest in this issue.

Thank you, Mr. Chairman.

Senator NUNN. Thank you, Senator Dorgan.

Senator McCain.

OPENING STATEMENT OF SENATOR MCCAIN

Senator McCain. Thank you, Mr. Chairman, and I want to thank you and Senator Roth for your efforts on what I believe is a very important issue to Americans who may not in any way be interested in politics.

Boxing is a compelling sport. I happen to be an avid boxing fan, and there is a clear need to enact legislation somewhat along the lines that Senator Roth and our friend from New Mexico, Congressman Richardson, have been involved in for a long time.

Yesterday, Mr. Chairman, Mr. Seth Abraham, who is going to be testifying here today, who is, of course, intimately involved in the issue on behalf of HBO, reminded me of a comment made by Damian Runyon, that boxing is the red-light district of sports, and I think that that is a very accurate description of the industry today. At the same time, it provides a degree of involvement and support that is really kind of unique because it is a unique kind of an athletic contest, as we know.

So I think that we have to not only address Senator Roth's bill but I would also at some point like to see this whole business of who is on first and the alphabet soup of boxing organizations—there is an article in this month's *Ring Magazine* entitled "Who the Man," and it says, pay no attention to that man behind the curtain, especially if it is Jose Sulaiman, the Lizard of Oz, but Riddick Bowe lost the undisputed heavyweight championship of the world by not agreeing to fight Lennox Lewis. It has nothing to do with alphabets. It has nothing to do with business as usual.

The fact is that there is a lack of confidence on the part of the American people that every fighter of quality and talent is given an equal opportunity, which is unfortunately too often dictated by who he is associated with as opposed to his individual talents.

So I would like to see us also, Senator Roth, I know how important the basics of this are, maybe explore a little bit that aspect of the boxing industry with especially our ESPN and HBO witnesses.

I thank you, Mr. Chairman, and I thank Senator Roth also for his many-year effort on, I think, what is an important issue to millions of Americans.

Senator NUNN. Thank you, Senator McCain.

Congressman Richardson, we are pleased to have you this morning. I know you have worked long and hard on this subject. We swear in all the witnesses before the Subcommittee and we have never had any exceptions, so we will ask you to take the oath, if you would, before you testify.

Do you swear the testimony you give before this Subcommittee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RICHARDSON. Yes, I do.

Senator NUNN. We are pleased to have you and we welcome your testimony.

TESTIMONY OF HON. BILL RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. RICHARDSON. Thank you, Senator Roth, thank you, Senator Nunn, members of the Subcommittee.

First of all, let me express my delight in having such interest in this body for this legislation. I think as Mr. Dorgan may have mentioned, in the House for years we have tried to get legislation passed. We did succeed one session, but unfortunately it didn't move beyond the House.

So I am delighted with this Subcommittee's activity. You have already made a difference. Senator Roth, thank you, because you have raised the awareness of this issue throughout the country, something that we were not able to do in the House, so I think to all of you, you have already made a difference and I thank you.

As you know, I have long pursued legislative action in the House to establish minimum health and safety standards for professional boxing and I look forward to working with this Subcommittee so that finally, this calendar year, perhaps, we can pass legislation that will become law.

The regulation of professional boxing today is best described as a non-system. Forty-two States and the District of Columbia regulate boxing. Each State determines the extent to which it will or will not regulate the sport. Herein lies the major health and safety problem in professional boxing. There are no uniform standards in existence. Thus, a boxer unfit to fight in one State can simply go fight in another State with less stringent or no health and safety standards.

For example, in 1990 a great fighter by the name of Aaron Pryor was diagnosed as legally blind in his left eye. Most States considered him unfit to fight and wouldn't grant him a license. Willing to risk fighting with a blind eye, Aaron Pryor simply went to the State of Wisconsin, which had no boxing commission, and received a license to fight through the Wisconsin Department of Regulation and Licensing. The Department clearly had no qualifications to regulate boxing or grant such a license, but because the State had no boxing commission and no uniform health and safety regulations, Aaron Pryor was allowed to fight.

Another major problem in the sport is that there is little coordination between the States to keep track of the won/loss records of professional fighters. A boxer may have different won/loss records in several States. *Sports Illustrated* ran an article that described a

fighter, whose manager listed his won/loss record at 15 wins and 19 losses. Minnesota listed him at 17-27-1, and Texas listed him at 6-7. The absence of a national tracking system allows gross mismatches to occur which threaten the health and safety of the fighters.

Clearly, the sport, professional boxing, needs to be cleaned up. Mismatches are frequent, health and safety of boxers is not a consideration of many promoters, State regulation is in many cases inadequate, and existing organizations are not adequately addressing health and safety problems.

Professional boxing can bring fame and fortune to a lucky few, but most professional boxers fight one-too-many fights and take one-too-many punches. Too often, people think of professional fighters are being successful ones like Riddick Bowe or Mike Tyson or Julio Cesar Chavez, but there are thousands upon thousands, mainly minority, black and Hispanic fighters who don't make it, who are abused, who are sacrificed on the altar of money and greed and many times are forgotten, and they leave the sport decimated physically, financially, and it is to those that we owe a special responsibility. As I said, ultimately the losers in this situation are the no-name boxers who wind up with nothing.

As an avid boxing fan, like many of you, I want to see this sport continue to be a popular sport. I don't favor banning the sport. I think that makes little sense. The best way to ensure that boxing remains a popular sport is to protect the health and safety of the fighters themselves.

In this effort, I have long proposed, along with many of you, the establishment of a Federal Boxing Corporation with a mandate to work with State boxing authorities to develop uniform minimum health and safety standards for professional boxing.

Specifically, the Corporation would issue regulations for physical and mental examinations, issue standards for medical services at boxing matches, issue standards to ensure the use of safe boxing equipment, issue regulations to prevent conflicts of interest related to boxing matches, and other safety-regulated regulations, in addition to trying to set up a pension system for fighters so that they have some kind of security and protection after they finish their fighting.

Each State regulating professional boxing would be required to develop a boxing plan in compliance with the minimum standards established by the Federal Boxing Corporation. The Corporation would have legal authority to enforce full compliance with such regulations.

In addition, the Corporation would be required to establish a national computer source that will contain a list of professional boxers, medical records, won/loss records, and other pertinent information. Based on this information, the Corporation would issue a license to each individual associated with a professional boxing match who meets the minimum standards. Registration and licensing fees would be collected and deposited into the U.S. Treasury to fund the Corporation so that no taxpayer dollars are spent, except perhaps for an initial start-up loan that would be fully repaid.

Senator Roth introduced similar legislation in the Senate last Congress and I am pleased to be working with him and others in

the Subcommittee to come up with legislation that we can all jointly introduce in this Congress.

Again, as I stated, it is my sincere hope that in this session of Congress we can pass this legislation, and again to all my Senate colleagues, it is wonderful to see you actively interested in this issue. I think we need to move. I want to work with you, and I thank you for allowing me this opportunity.

PREPARED STATEMENT OF CONGRESSMAN RICHARDSON

Mr. Chairman, I want to commend you for holding this hearing on health and safety issues with respect to professional boxing. As you know, I have long pursued legislative action in the House to establish minimum health and safety standards for professional boxing. I am enlightened to see interest in this issue by the Senate through this Subcommittee and the lead role of Senator Roth.

The regulation of professional boxing today is best described as a non-system. Forty-two States and the District of Columbia regulate boxing. Each State determines the extent to which it will, or will not, regulate boxing. Herein lies the major health and safety problem in professional boxing—there are no uniform standards in existence. Thus, a boxer unfit to fight in one State can simply go fight in another State with less stringent or no health and safety standards.

Another major problem in professional boxing is that there is little coordination between the States to register or keep track of the won/loss records of professional fighters. A boxer may have different won/loss records in several different States. The absence of a national tracking system allows gross mismatches to occur which threaten the health and safety of the fighters.

Clearly, professional boxing needs to be "cleaned up." Mismatches are frequent, health and safety of boxers is not a consideration of many promoters, State regulation is in many cases inadequate and existing organizations are not adequately addressing health and safety problems. Professional boxing can bring fame and fortune to a lucky few, but most professional boxers fight one-to-many fights and take one-to-many punches.

As an avid boxing fan, I want to see that professional boxing continues to be a popular sport. The best way to ensure that boxing remains a credible and popular sport is to protect the health and safety of the fighters themselves. In this effort, I have long proposed the establishment of a Federal Boxing Corporation with a mandate to work with State boxing authorities to develop uniform minimum health and safety standards for professional boxing. Specifically, the Corporation would issue regulations for physical and mental examinations, issue standards for medical services at boxing matches, issue standards to ensure the use of safe boxing equipment, issue regulations to prevent conflicts of interest related to boxing matches, and other safety-regulated regulations. Each State regulating professional boxing would be required to develop a boxing plan in compliance with the minimum standards established by the Federal Boxing Corporation. The Corporation would have legal authority to enforce full compliance with such regulations.

In addition, the Corporation would be required to establish a national computer source that will contain a list of professional boxers, medical records, won/loss records, and other pertinent information. Based on this information, the Corporation would issue a license to each individual associated with a professional boxing match who meets the minimum standards. Registration and licensing fees would be collected and deposited into the U.S. Treasury to fund the Corporation so that no taxpayer dollars are spent except for an initial start-up loan that would be fully repaid.

Senator Roth introduced similar legislation in the Senate last Congress and I am pleased to be working with him to come up with compromise legislation that we can introduce this Congress. It is my sincere hope that we can pass legislation this Congress and avoid needless deaths and injuries in the ring. Thank you for this opportunity to testify.

Senator NUNN. Thank you very much, Congressman Richardson.

I am going to turn it over to Senator Roth for the first round of questions, and then Senator Roth, I am going to have to be in and out this morning, so I would really like for you to preside.

Senator ROTH. Thank you, Mr. Chairman.

First, I would like to welcome my good friend and colleague, Bill Richardson. I have had the pleasure of working with him on other issues. I know him to be a fighter for what he believes in and I can't express enough my respect and thanks for the leadership he is showing in this particular issue.

Congressman Richardson, what do you see as the aspects of professional boxing most in need of reforms?

Mr. RICHARDSON. Well, Senator, within the purview of this Congress, I do think that the initial concentration should be to deal with the health and safety of boxers. What you have been doing in your hearings I think is paramount. We have to set up these uniform standards. We have to have each State commission have minimum health and safety standards. We have to have this computer tracking system. I believe that that has to be a priority.

Second, what Senator McCain said, I just don't know how you put a legislative handle on it. There are many "international boxing associations" whose rankings and activities sometimes are very suspect, and because they operate in foreign countries, one in Mexico, one in Venezuela, you can't get a handle on their activity because they are not incorporated in this country. Many times, these entities establish these gross mismatches.

One leverage that we have over them is the licensing fee that they have to pay the promoters when they accept the fight to be a championship fight, a sanctioning fee, rather. So I think we have to deal with those issues relating to the international corporations that govern boxing.

And third, Senator Roth, I think we have to be careful about overregulating the sport. Professional football, professional basketball, they have czars that establish some kind of regulation. Boxing doesn't even have that. That doesn't mean that we have an entirely government entity regulating the sport, I think the free market has to operate, but those two areas, health and safety, and some kind of handle to deal with the international bodies.

And perhaps fourth, I think it is a conflict of interest for a fighter to have a promoter and a manager as both the same person. I don't think that should be. That is a gross conflict of interest that exists dramatically in the sport, and if there is a way we can discourage that or not have it, I would support that. Those would be the three areas.

Senator ROTH. One further question, in a lot of sports there is self-regulation, and frankly I would like to see that take place here, but do you see that as a realistic possibility, that boxing can be anticipated to adopt self-regulation in an effective way?

Mr. RICHARDSON. Senator Roth, when Congressman Dorgan and I pushed this legislation in the House the last 8 years, our hope would be that boxing self regulate, and I think Senator Cohen mentioned that signals were sent for the sport to do something about some of these health and safety problems and it didn't happen. We need to step in.

I do think, again, that there are some State commissions, and to be fair, I think New York, Nevada in many cases have very strict and good safety requirements. But you go beyond those States and there are hardly any requirements. I am not saying the requirements in these States are perfect, but I have been encouraged.

I had a meeting in New York recently with some officials from the New York State Boxing Commission and I would say that they have become rather vigilant, but that is one State. We have many other states.

But I do think we need to act, and what we are doing in terms of minimum health and safety standards I don't believe is regulation. If we set up a Federal Boxing Commission that started to rank fighters, I think that would be a problem, Senator. I do think that that is probably best left to boxing people, legitimate boxing entities, but when you have four or five championship entities and you have a number of other rating systems and many times those rating systems are governed by promoters and money that deals more with the financial aspects of a fight as opposed to legitimate rankings, I think, as Senator McCain said, we need to have some kind of regulation.

Senator ROTH. Part of the problem, if I understand what you are saying, is that even if you had effective regulation within a State, it is so easy to avoid by going into other States, and then, of course, as Senator McCain brought out, you have the international problem.

Mr. RICHARDSON. That is right, Senator. You can be a fighter and get knocked out in one State and then 2 days later appear in another State where they didn't know about the previous fight—there is no tracking system, there is no record of the fighter—and you can get knocked out again, and this jeopardizes the health of the fighter.

And many times, I think what we are doing is helping the fighters. There are hundreds of thousands of young men around this country and around the world that are not the Riddick Bowes, that are not the great champions that we read about that are successful, and those are the individuals that I think we have a responsibility to protect, and the fan. I think that the fan needs to be assured that the fights are legitimate and that there is health and safety and that the sport is on the uptake.

Senator ROTH. Otherwise the sport will die.

Mr. RICHARDSON. Yes, Senator.

Senator ROTH. Senator Dorgan.

Senator DORGAN. Thank you very much.

It is interesting that, for example, the anti-trust exemption given to baseball by the Congress and the government allows them to establish their own government. In effect, some major league sports establish their own government because we have said they shall not be subject to anti-trust laws.

I understand your admonition. We don't want to establish a government-run boxing system in this country. By the same token, we are not so much talking about reform of the system because there isn't a system. There really isn't any system.

Sports Illustrated did a piece on a fighter called Mouse, who some in this room may have seen fight around the country. I have seen him fight a couple of times. Mouse—that is his nickname—Mouse is an opponent. He gets knocked out in one State 1 night and 3 days later he gets knocked out in another State. He has claimed to have been knocked out more than any other fighter in the history of boxing, and he makes his living going around getting

knocked out. I guess Mouse is retired now. Mouse was also a promoter, as he was a fighter.

That rather interesting article in *Sports Illustrated*, a lengthy article about boxing and about the opponent, described the names no one would recognize and what happens to those folks in the sport of boxing. It desperately calls for the construction of a new system—not a reformation of the old system because there is no system. So that is what we are talking about. We are talking about constructing a system that doesn't create a governmental boxing entity so much as it tries to describe some uniformity and health and safety rules and so forth.

Mr. Richardson, you have called for, and I have supported you in calling for, the establishment of a commission in the Labor Department that would really establish uniform rules. Let me ask you, how would that bill relate to the problems we're discussing here? I understand how it would relate to a fighter. You have to register, all your fights have to be entered in the computer so we know when you fought, what your record is, what happened to you, when you were last knocked out, and so on. So I understand how it would relate to the fighter.

How would a boxing commission of that type relate to the governing organizations—for example, WBA, WBC—some of which operate outside the country and then do business in this country? I wrote to one of them a couple of months ago and I said, you know, I would like to know a little bit about your organization. How do you operate? What are your bylaws? Who makes decisions? What is your revenue base? I not only didn't get the right answers, I didn't get a response to my inquiry.

How would a boxing commission relate to the central organizations that now seem to control most of boxing in this country?

MR. RICHARDSON. Well, Senator Dorgan, what the boxing commission, the establishment would have fundamentally a bully pulpit value that would hopefully be accepted by all boxing organizations.

Second, and I think this is what Senator McCain mentioned, how do you deal with the WBC in Caracas, Venezuela, that allows so-and-so to become a champion? I think the way to deal with it is use a sanctioning fee. As you know, in order for a championship fight to take place and the WBC belt is on the line, the promoter has to pay that organization some kind of a sanctioning fee, and since most of the financial activity of our networks originates generally in the United States, I think there is a source of leverage, but that is something that we need to do.

We need to establish that these, perhaps on an informal basis, because I think that the only national boxing entity that is in the United States is the IBF, the International Boxing Federation based in New Jersey, to ensure that these international organizations comply with this legislation. But what this boxing corporation would do, they would issue licenses for any fighter, American and non-American fighting in the United States, to fight, so you do have some leverage. The same with cut-man managers, physicians. The boxing people would basically go to this commission to get certified, to get licenses. So you do exercise a source of leverage over the boxing community.

Senator DORGAN. The other side of it, on the sporting side of it, it is now a joke in boxing. You have so many champions in so many different divisions. It used to be when Rocky Marciano was the heavyweight champion, he was the heavyweight champion. And my guess is the construction of these different bodies really has only to do with money.

If you construct a range of different governing bodies, what you do is create another network of champions. What does that do? That translates into money because you can sell a championship fight. This is true despite the fact this person is a champion in name by an organization that was created to manufacture champions for the purpose of money, I would guess. I mean, the whole thing has become a joke in a lot of ways. This is tragic, because I think boxing is a sport that has a wonderful tradition and a wonderful history.

And I agree with you, Mr. Richardson, I don't think boxing ought to be banned. I certainly think under conditions that many fighters fight in today, it is unsafe, but I would not like to see it banned.

Let me just say that the work you have done is very important. I recall one evening maybe 6, 7 years ago when you and I and people like Lou Duva, Emanuel Steward, and so many other experts in boxing who handle fighters spent the entire evening talking about what should be done. The menu and the recipe of what should be done hasn't changed a bit. It is just that 5 or 6 years have gone by and we haven't gotten it done.

We really need to do this for the sake of the young fighters out there who are risking their lives under the current circumstances. We need to do this to clean up boxing and make it safe for the fighters, I commend your active interest and I hope this year we can get this done.

Senator ROTH. Is this proliferation of titles partly the consequence of the big money TV, is that—

Mr. RICHARDSON. I would say so, Senator Roth. I do think that it is not just television, and I will say that there are a lot of boxing people that want reform and some are in the networks and some are promoters. It is not—

Senator ROTH. That is correct.

Mr. RICHARDSON [continuing]. That everyone is against resisting reform, significant elements are.

But yes, I think Mr. Dorgan is right. When you can certify that there are more heavyweight champions, you have more heavyweight championship fights, more money is to be made, and some of the champions are rather dubious as you get into the lower weight classes. It would be nice if you have one boxing organization that rates all the fighters, but unfortunately the trend is towards increasing. There is now a new one, the WBO, so you could conceivably have four champions in one weight division and that forces them to fight each other.

Now there is nothing wrong with that competitive market system, but I do think the public is better served by one organization that fully complies with our laws, that fully is able to protect the fighter, and some international organizations, some boxing organizations, are more pro-health and safety than the others. The

problem is exactly that, the lack of uniform health and safety standards of any kind.

Senator ROTH. Senator McCain.

Senator McCAIN. Thank you, Mr. Chairman.

Just to follow up on Senator Dorgan's comments, in this month's issue of *Ring Magazine* they have the ring ratings for May of 1948, every name, even as young as Congressman Richardson is, he would know and recognize and remember: Marcel Cerdan, Kid Gavilan, Ezzard Charles, Joe Walcott, Sandy Sandler. There were eight boxing divisions that we all knew and appreciated, and there was one champion for each.

Now, as another page in *Ring Magazine* shows, there are 16 weight divisions. As an avid boxing fan, I can tell you I don't know Sung Kil Moon, and I don't know Yuri Arbachakov or Myung Woo Yuh. Frankly, I think it hurts boxing in the long run to have this proliferation of weight classes, and if we list all the other organizations you talked about—including WBC, North American Boxing Federation, IBF, etc.—it adds up to enormous confusion. I don't think that the American people and sports fans are fooled for very long when certain bouts are billed as a "championship fight." I recognize this situation may not be the most important part of this hearing, however.

I would like to get back, Congressman Richardson, just briefly to this business of how we would prevent this proliferation of organizations. One of the reasons why I think we ought to look at it a second is because we have seen a recurring phenomena. A boxer, and I do not mean this in any way to be ethnic or nationalistic—usually from an Asian country somewhere that none of us has ever heard of—is designated as the "No. 1 contender" which a champion is then forced to fight. Otherwise the champion risks losing the so-called "title." Invariably that person, whom no one has ever heard of and has generally never fought in the U.S., is now in a multi-million dollar fight, and it usually ends within two or three rounds. Due to one of the international boxing organizations based outside the U.S. having designated that unknown boxer as the "No. 1 contender," the fans are cheated. They are cheated badly on that type of mismatch.

Mr. Chairman, in my view, and I would like to hear Congressman Richardson's view, perhaps we could in this legislation set up some form of sanctioning that this organization would have to, in order for that fight to take place in the United States of America, to be sanctioned by this commission as indeed the legitimate contenders and champions. I wonder if Congressman Richardson has a view on that.

Mr. RICHARDSON. Well, Senator McCain, I would favor that, and I think Senator Dorgan will tell you that in the old days we were leery about putting something like that in for fear that some would charge us with overregulating, but I do think we need that. I think the leverage, as I said before, is the sanctioning fee, that for instance a promoter or a network will pay, say, the WBA, for a fight to exist. And I think in the WBA, most of the fights, most of the championship fights seem to be in Las Vegas, Nevada, Atlantic City, Madison Square Garden, in the United States, usually involv-

ing American fighters, that they should comply with this commission and they should observe the rules and laws of this commission.

So I would favor that, Senator McCain, and I would hope we find a way to deal with that.

Let me also say I am delighted to know that there is a member of the Congress besides myself that reads *Ring Magazine*. [Laughter.]

Mr. RICHARDSON. I thought I was——

Senator MCCAIN. The editor of *Ring Magazine* said, "What could the government do to boxing that it hasn't already done to itself?" [Laughter.]

Senator MCCAIN. As one who is generally not in favor of regulation, Mr. Chairman, I agree with his views in this regard.

Finally, I would ask Congressman Richardson—and I know we have other witnesses, Mr. Chairman, I am sorry for the length of time—Bobby Czyz, who was an excellent fighter, as we all know, made the following recommendations at the last hearing. He said, boxing organizations could reform the treatment of their athletes, including having one set of rules regulating fights, making sure that mismatches are not as prevalent, setting aside money for a pension fund—I think it is the only major sport in America that does not have a pension fund and probably needs it more than any other—and eliminating fight fees that boxers have to pay. As in football and baseball, boxing needs a players' union.

Do you have any comments on his recommendations?

Mr. RICHARDSON. Yes. I believe, Senator McCain, that if we create this commission along the lines that we all, Senator Roth and all of us, and Byron and myself want to do, that this commission itself would contain distinguished people, many of them boxing people, that would start and take a leadership activist role to do those things that you mentioned.

I think the first step has to be to create this commission, to create a chairman of this commission, to give this commission flexibility in these health and safety rules, to basically have a charter of improving the condition of boxing. You know, the Commissioner of Baseball has a very broad mandate, to act in——

Senator MCCAIN. When they have one! [Laughter.]

Mr. RICHARDSON. When they have one, to act in the best interest of baseball. That is very broad. Lately it hasn't been observed, as you know, by the owners.

But I just think the first step is to set up this commission, give them that health and safety mandate. I believe that it is successful. I know Senator Roth wants to put in the legislation that there be, maybe not necessarily a termination date, but to see if this commission works, and I think that we should evaluate it after a period of time.

But for all of those goals that Bobby Czyz and you outlined, I think they can be achieved with the creation of this commission. I naturally would like to see more regulation than I have put in this legislation. I have been leery of going beyond that because of trying to keep a political base of support for the bill that, by the way, in the House got Republican support. We got quite a bit of support across party lines and we were just not able to move it because

there were no Senator Roths and people like you and Byron Dorgans ready to move here.

Senator McCAIN. Thank you, Mr. Chairman.

Senator ROTH. Congressman Richardson, I appreciate your taking the time to come over here and testify before us. We look forward to working together in an effort to get some kind of legislation enacted.

Mr. RICHARDSON. Thank you, Senator.

Senator ROTH. Thank you very much.

At this time, we will call our first panel of witnesses, Minority Staff Counsel Stephen Levin and Leighton Lord, who will be presenting the staff statement.

Will you please stand and raise your right hand?

Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LEVIN. I do.

Mr. LORD. I do.

Senator ROTH. Please be seated.

Mr. Levin.

TESTIMONY OF STEPHEN LEVIN, MINORITY STAFF COUNSEL; ACCOMPANIED BY W. LEIGHTON LORD III, MINORITY STAFF COUNSEL, PERMANENT SUBCOMMITTEE ON INVESTIGATIONS, COMMITTEE ON GOVERNMENTAL AFFAIRS, U.S. SENATE

Mr. LEVIN. Thank you, Senator Roth and members of the Subcommittee.

Thirty years ago, the last Senate inquiry into professional boxing concluded that if the industry was not cleaned up, it should be abolished. After an extensive year-long investigation, we conclude that many of the problems existing within the boxing industry three decades ago still remain.

Can boxing survive? One State boxing regulator testified before the Subcommittee that if boxing is not better regulated, there would be no need to abolish it because it would simply die a natural death. We believe boxing can be saved, but it will require major alterations of the current regulatory system.

Our investigation found that the regulatory structure that Senator Kefauver found inadequate when he took a close look at boxing over 30 years ago remains in place today. In more than 40 States, boxing is regulated on the State or local level. In several States, there is no governmental regulation of boxing although boxing is not illegal in those states.

Our investigation's findings can generally be categorized in terms of the organization and operation of boxing, health and safety issues, and media involvement in boxing.

Several significant findings relate to the current organization and operation of professional boxing. We found that the current system by which professional boxing is regulated in the United States is characterized by inconsistent and often inadequate regulations, licensure, and enforcement. This endangers the health and safety of professional boxers, denies them protection from financial exploitation, and raises questions regarding the fairness of the sport, damaging its credibility with the public.

The investigation called into question the role currently played by international sanctioning bodies. These organizations derive their power from the fact that they control the most sought-after prizes in boxing, world titles and rankings. As a result, they are frequently able to impose their own rules and their own officials on State regulatory bodies. The State regulators are then faced with the possibility that if they insist on enforcing their regulations, the sanctioning bodies will move the fight to a more compliant jurisdiction, together with the badly-needed boxing revenue.

In certain instances, the relationships between State regulators and the sanctioning bodies border on the incestuous. We found examples of State regulatory officials having served as officials of the sanctioning bodies. This involves not only making decisions on sanctioning body policies but also serving as sanctioning body supervisors for world title fights, which afford the officials first-class travel paid for by the promoter.

In Nevada, State boxing authorities customarily help the sanctioning bodies collect their sanction fees by deducting them from the boxers' checks, despite the absence of any apparent legal authority to do so.

In addition, the sanctioning bodies command exorbitant sanction fees from boxers without providing an adequate accounting of what they do with this money. For example, former heavyweight champion Evander Holyfield testified that for his title fight against Larry Holmes, he alone paid the sanctioning bodies \$590,000, and then on top of that had to pay for his championship belt.

Rankings in many sports are highly subjective, but we found them to be particularly so in boxing, where alliances between boxing promoters and sanctioning bodies result in the manipulation of rankings, rather than having the rankings determined by what happens inside the ring.

We also found that the inability of individual State boxing regulators to enforce their rules beyond their own state's borders has generally rendered ineffective the rules of States which have adopted professional boxing regulations. This is particularly apparent with regard to efforts to regulate business relations among boxers, managers, and promoters, who use multiple contracts to evade specific State regulatory requirements.

One such example involves Nevada's rule prohibiting multiple-option contracts. That rule is evaded by simply filing one contract in Nevada without options while another real contract for the fight is signed in another State which includes multiple options.

Boxing is replete with conflict of interest situations at all levels involving promoters, managers, and boxers. Generally, promoters are responsible for putting the fight card together. Promoters assume the financial risk and try to pay boxers as little as possible in order to maximize their profits. On the other hand, the manager is responsible for representing the boxer's interest and presumably will try to get the boxer the best possible deal from the promoter. Thus, a manager and a promoter should maintain an arm's-length relationship.

Where these relationships are compromised by conflicts of interest, it is the boxer who is disadvantaged. When State regulations exist to prohibit such conflicts, they typically are not enforced.

Perhaps the most important area in which the current system of State regulation of professional boxing has proven ineffective is protection of the health and safety of boxers. This morning we will hear from a distinguished panel of boxing physicians who will discuss this subject in detail.

Generally boxers enjoy few, if any, of the protections and benefits accorded other professional athletes. As has been discussed already this morning, boxers have no unions which negotiate safety issues, very limited if any health insurance coverage, and a paucity of pension plans.

The patchwork system of State regulation of professional boxing results in wide variations from State to State, both in health and safety rules themselves and in the enforcement of those rules. As a result, again, it is the boxer who suffers.

Boxers' health and safety are endangered through gross mismatches between boxers of unequal ability, failure to enforce health and safety related suspensions from one jurisdiction to another, absence of uniform drug testing standards, and gaps in enforcement of health and safety standards under the current fragmented regulatory system.

Not only do the various suspension standards vary greatly among the States, but due to limited communication among the various State boxing authorities, boxers suspended in one State can often subsequently be found boxing in another state.

Another health and safety issue which the current system of State regulation does not effectively address is testing for drugs. Drug testing varies widely among the States and no State tests for steroids.

States also vary widely in the pre-fight medical exams required of boxers. New York is perhaps the most thorough, requiring an EEG, EKG, CAT scan, and dilated eye exam by an ophthalmologist. Clearly, however, it is expensive to run such a battery of tests on all boxers.

However, there are other areas where ineffective State regulation is not a matter of lack of finances. For example, although Nevada is a State which is generally regarded as having strict medical requirements—for example, Nevada was the first State to conduct mandatory AIDS testing for boxers—yet a ring physician in Nevada is not permitted to stop a fight as the ring physician has the authority to do in some other States. Most medical experts believe the ring physician should have authority to stop a fight.

Finally, in the boxing business today, television provides the largest source of revenue for high-profile professional boxing matches. There are four different types of television which program professional boxing: free TV, non-subscription cable, subscription cable, and pay-per-view.

Historically, the major television networks, the primary components of free TV, have played the largest role in boxing. In recent years, however, cable TV and pay-per-view have come to play the more dominant role.

We will hear today from representatives of two cable television networks who will discuss this area in detail, so let me just provide some background. Free TV refers primarily to the three major television networks, ABC, CBS, and NBC. Up through the mid-1980s,

the networks were still heavily involved in airing professional boxing. As recently as 1989, there were approximately 40 to 50 fight shows on free TV, 15 to 18 on NBC and 12 to 20 each on ABC and CBS. But in more recent years, free TV has substantially abandoned the televising of professional boxing. Only ABC has plans to include boxing on its current programming schedule.

The primary national non-subscription cable networks which televise boxing are ESPN and USA Network, but there are also regional networks like the Madison Square Garden Network and Prime, a network of regional sports cable stations. Both ESPN and USA show approximately 40 boxing shows per year, substantially more than any other television outlets. However, they have a more limited audience than free TV and they pay substantially less than premium cable, so they tend to televise less well-known boxers in less well-known locations.

The major subscription cable networks are Home Box Office, HBO, and Showtime. Both of these networks are so-called premium cable channels, which mean they rely on subscriber revenue rather than advertising. Each network also has to market itself every month to ensure subscribers do not cancel their subscriptions.

HBO does an average of eight to ten and Showtime an average of six to eight boxing shows per year. It is not unusual for HBO to pay \$1 million or more for particular fights. HBO is thought to pay substantially more than other television networks, making an HBO appearance a highly-sought goal for most boxers.

The most significant pay-per-view entities involved in professional boxing are TVKO, which, like HBO, is a subsidiary of Time Warner, and SET, which is owned by Showtime. The pay-per-view entities have substantially superceded closed circuit as the preferred technology for showing specific events to home viewers.

Most television networks generally do not get involved in actually putting a boxing match together. That is left to the promoter. Time Warner Sports, who we will hear from today, does things differently, playing a much more active role in arranging particular match-ups which they think will be attractive, entering into contracts directly with boxers, requiring exclusive contracts, and entering into multiple-fight contracts.

Sports Illustrated called Time Warner Sports President Seth Abraham "the heaviest hitter in the world of professional boxing," and claimed, "that he controls to a large degree the colorful business of boxing." Mr. Abraham demurred from this description, but while no television network is licensed as a boxing promoter, Time Warner Sports arguably comes closer to acting as a promoter than any other network and is generally considered to be the major financial influence in big-time professional boxing today.

In summary, the current system of state-based regulation of professional boxing is ineffective in protecting the health, safety, or financial interests of professional boxers. Any effort to improve professional boxing must include reforming the current regulatory system.

Thank you, and we will be happy to answer any questions you have.

Senator ROTH. Mr. Levin, what would you say is the primary reason why the current state-based regulatory system is ineffective?

Mr. LEVIN. Senator Roth, as has been addressed this morning, I think the primary reasons are a lack of uniform standards and ineffective enforcement of those standards which are currently in place. Those are the two big problems.

Senator ROTH. What purpose do State license requirements serve?

Mr. LEVIN. The State licensure requirements are implemented to protect the integrity of the sport by giving the State regulators the ability to deny entry to those people who would be detrimental to the sport. Therefore, ineffective enforcement of those standards really results to the detriment of boxing.

Senator ROTH. Let me ask you a question about the sanctioning bodies, WBC, WBA, IBF, as well as the others. Why are the States unable to effectively regulate the sanctioning bodies? Why don't the State regulatory agencies simply tell them they are the boss?

Mr. LEVIN. The primary reason for that, Senator, is that the sanctioning bodies will threaten to withdraw their sanction, cancel the fight, and move it to another State which will be less strict in its regulation, thereby the State risks losing the boxing revenue from that fight.

Senator ROTH. How important is the role of the sanctioning bodies? What else do they do besides creating titles and sanctioning contests for these titles?

Mr. LEVIN. Their other primary purpose, as has been discussed this morning, is that of ranking boxers. So the ranking of boxers and the sanctioning of the title fights are the two primary purposes that the sanctioning bodies serve.

Senator ROTH. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

In the last hearing that was held, there was a lot of addressing of the corruption issue. Have you any additional information since that hearing that you would like to share for the record?

Mr. LEVIN. Senator McCain, we have continued to pursue that, and in fact the subsequent hearings that are planned will focus primarily on that aspect.

Senator MCCAIN. I see. So you feel that, because I was reviewing the record of the previous hearings and obviously there were some areas out there that needed to be pursued, at least from my reading of it, and I am glad that we intend to continue on that track. I think probably that is one of the fundamental issues that we have to address here.

Do you agree, Mr. Lord?

Mr. LORD. Yes, Senator McCain. I think at our next hearing we are going to follow up on some of the leads that we uncovered at the August hearings, try to close in on some of those.

Senator MCCAIN. May I just ask both of you, because you have been very involved in it, what kind of resistance are you seeing to Senator Roth's legislation that we might want to address in the course of these hearings?

Mr. LEVIN. I think we have heard from a lot of people who say in general terms that they support the notion of reforming boxing.

The problem occurs when you try to get into the specifics of what type of reforms you are trying to institute.

Senator McCAIN. Is there resistance to a National Boxing Commission per se? For example, are you hearing from the States, saying that you are going to erode their authority and responsibilities?

Mr. LEVIN. We certainly hear that from some States. On the other hand, we also hear from other States that they welcome the type of approach that we are taking which would, and I want to emphasize this, would not eliminate the State commissions but would utilize the State commissions as they are currently structured but just strengthen them.

Senator McCAIN. Does the issue, and again, it probably is for further hearings, but does the issue of one promoter or a very small number of promoters basically controlling the major fights in boxing concern you?

Mr. LEVIN. It is certainly an area of concern any time you have a large amount of power concentrated in a small number of hands.

Senator McCAIN. Have you found that to be the case?

Mr. LEVIN. That is certainly true in boxing today.

Senator McCAIN. Which then leads to a basic unfairness, because if you don't have the right promoter/manager or combination, then your opportunities are dramatically limited. I think we have cases of that. I hope in subsequent hearings we can point out some graphic examples of outstanding boxers who have been unable to have the opportunity for the kinds of money and titles that other fighters have gained more easily simply because they were not connected properly.

I thank you, Mr. Chairman. Thank you very much.

Senator ROTH. Thank you, Senator.

I apologize, Senator Dorgan.

Senator DORGAN. No problem. Thank you very much.

In testimony that we will receive shortly from a physician, he describes a material that is now used under the ring apron and I think also in boxing gloves that has, he says, substantially reduced the incidence of deaths from boxers who hit their head on the ring apron upon being knocked out. His point is that most knockouts don't result in deaths. To the extent that there are deaths in boxing, it is not from the blow to the head, it is from the blow of the head to the canvas.

This material that is used—and I don't recall the name—is that widely used? Is it something that most States have adopted for use in the ring?

Mr. LEVIN. I think you are referring to Ensolite, and it is used in a number of States. Again, because of the lack of uniform standards, it is not used in all States either for the mats or for the gloves.

Senator DORGAN. So even though there is a demonstrated safety component, it is not now required for use and is not being used in all states?

Mr. LEVIN. That is correct.

Senator DORGAN. I think we will have some testimony on the incidence of death in the sport of boxing later on. The sport of boxing

is not the most dangerous sport in America. Can you just respond to that?

Mr. LEVIN. That is correct, and in fact, the panel of physicians that will follow will go into greater detail, but boxing today ranks lower even than college football in terms of the number of fatalities.

Senator DORGAN. Mr. Chairman, let me just finally—and I appreciate the testimony from the staff, it was very useful and interesting—to describe, as I said earlier, that boxing is indeed a sport, and I think an interesting and a good sport.

We speak of young men. This is not only a young man's sport. There is a fellow in the audience, and I will embarrass him, I am sure. To demonstrate this point, I turned on my television set one Saturday to the National network sports program. There was a boxing match going on—I believe in the Senior Olympics—and I saw this older white-haired fellow in the ring boxing. It turned out to be an employee of the House of Representatives, Jim Balukevich, who is here in the back of the room, and he demonstrated to me on Saturday that it is not just a young man's sport.

Jim, you might just wave for the Chairman, if you don't mind. [Applause.]

Senator DORGAN. My point is that if Jim Balukevich a couple of years ago was boxing on national television, it is a sport—not just a young man's sport, but a good sport that all of us want to make better and improve. And that is the purpose of this hearing.

Jim, I hope I didn't embarrass you with that.

I thank the staff for the testimony and look forward to the testimony from the next panel.

Senator ROTH. Well, thank you, Senator Dorgan.

I want to welcome Jim here. He gives us all hope for the future.

I do want to introduce at this time the full statement of the staff on "Corruption in Professional Boxing, Inadequate State Regulation," and will so introduce without objection.

[The prepared statement of the Permanent Subcommittee on Investigations staff follows:]

CORRUPTION IN PROFESSIONAL BOXING—PART II

INADEQUATE STATE REGULATION

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS ¹

INTRODUCTION AND OVERVIEW

Thirty years ago, a Senate inquiry into professional boxing concluded that if the industry was not cleaned up it should be abolished.² After an extensive year-long investigation, we conclude that many of the problems existing within the boxing industry three decades ago still remain.

Can boxing survive? One State boxing regulator testified before the Subcommittee that if boxing is not better regulated there would be no need to abolish it because, "[i]t would simply die a natural death."³ We believe boxing can be saved, but it will require major alterations of the current regulatory system.

¹ This staff statement was prepared by the Minority Staff of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee of the U.S. Senate.

² Kefauver, Senator Estes, Congressional Record, v. 109, March 29, 1963, p. S 4786.

³ Testimony of Larry Hazzard, Sr., Commissioner, New Jersey Athletic Control Commission, U.S. Senate Committee on Governmental Affairs, Permanent Subcommittee on Investigations,

The minority staff of the Permanent Subcommittee on Investigations began the current investigation of professional boxing with an inquiry into the controversial February 8, 1992 International Boxing Federation middleweight title fight between David Tiberi and James Toney. That initial inquiry culminated with a report inserted by Senator William V. Roth, Jr., Ranking Minority Member, into the Congressional Record on April 28, 1992.

The report on the Toney-Tiberi matter found that Dave Tiberi had been a victim of a system where the regulated have been allowed to rule the regulators. While the State of New Jersey has a superficially adequate boxing regulatory structure, those regulations were not enforced in the Toney-Tiberi match. Rather, powerful private interests, including sanctioning bodies and promoters, exercised undue influence and control with regard to the Toney-Tiberi match.

The inquiry into the Toney-Tiberi matter also revealed other more broad-based, systemic problems affecting professional boxing, including: financial exploitation of boxers; conflicts of interest; inadequate, ineffective and non-uniform enforcement of health and safety regulations; implicit and explicit corruption; and continued influence of organized crime. Substantial evidence of these and other problems mandated a full scale investigation of the professional boxing industry.

The investigation looked at all of the major aspects of the boxing industry. Geographically, the investigation concentrated on New Jersey and Nevada—the two States with the majority of title bouts; the traditional boxing center of New York; California, the State with the most boxing matches; and several other States reputed to have particularly ineffective boxing regulation.

On August 11 and 12, 1992, the Subcommittee held two days of public hearings on corruption in professional boxing. Those testifying included three professional boxers, three current and one former State boxing commissioners, a panel of experts, a major promoter, sanctioning body representatives, as well as other witnesses who testified concerning organized crime involvement and corruption in professional boxing. Subsequent to those hearings, additional depositions and interviews were taken, including those of knowledgeable television executives. The major findings of the investigation are summarized in this interim report.

PREVIOUS CONGRESSIONAL BOXING INVESTIGATIONS

The Senate last looked into corruption in professional boxing some 30 years ago. Between 1960 and 1964, the Senate Subcommittee on Antitrust and Monopoly, chaired by Senator Estes Kefauver, conducted an extensive investigation of the boxing industry.⁴ Senator Kefauver concluded that those hearings, "showed beyond any doubt that professional boxing has had too many connections with the underworld. Nothing has taken place to indicate that professional boxing ever will, on its own initiative, free itself from control by racketeers and other undesirables . . . if strong measures are not taken to clean up boxing then it should be abolished."⁵ The strong measures referred to by Senator Kefauver included legislation that he introduced in 1961 and 1963 to provide a Federal role in the regulation of boxing. These bills, S.1474 (87th Congress) and S.1182 (88th Congress) would have established within the Department of Justice a United States Boxing Commission to set minimum standards for the regulation of boxing.

Senator Clair Engle, a co-sponsor of Senator Kefauver's legislation, based his reasons for supporting Federal intervention in professional boxing largely on the inadequacy of State control. Senator Engle stated, "The States cannot handle this sport properly. I do not want to leave the impression that the States and their boxing commissions have not tried to clean up boxing. They have made valiant attempts to do so. But their efforts have usually terminated in a dead end." Engle went on to state that the problem "is that they are stymied by the interstate aspects of the business. Subpoena powers of local commissioners stop at State borders. A boxer not permitted to fight in one city can pull up stakes and go into another city in another State. . . ."⁶

Hearings on Corruption in Professional Boxing, 102d Congress, 2d Session, August 11 and 12, 1992, (hereinafter referred to as "PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992") p. 56.

⁴ U.S. Congress, Senate Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, Hearings on Professional Boxing, 86th Congress, 2d Session, June 14 and 15, and December 5, 6, 7, 8, 9, 12, 13 and 14, 1960, and 87th Congress, 1st Session, May 31, June 1 and 2, 1961.

⁵ Congressional Record, v. 109, March 25, 1963, p. S 4786.

⁶ Congressional Record, v. 109, March 28, 1963, p. S 5031.

Senator Kefauver's legislation did not become law due to his untimely death. However, as a result of the Kefauver hearings, in 1964 Congress did enact P.L. 88-316 which made bribery in a sporting contest a Federal crime.⁷

In noting the past Congressional activity concerning problems in professional boxing, Senator Roth asked rhetorically at the Subcommittee's August, 1992 hearing, "[w]hat has changed in the last 32 years?" The answer, unfortunately, is very little. Senator Roth added that, "Boxing has had a very long time to reform itself voluntarily. It has not done so."

During those hearings, Subcommittee Chairman, Senator Sam Nunn, observed, "Most States have boxing commissions and specific licensing requirements for boxers, boxing referees and boxing officials. However, as the Subcommittee staff has learned, the rules are sometimes bent or broken, with few questions asked."

HISTORY OF BOXING REGULATION

Boxing in the United States during the 19th Century was not regulated by any governmental entity. The written Marquess of Queensberry rules, which had been adopted in England in 1860, were usually followed in boxing contests in the United States after 1880. These rules limited the length of rounds to three minutes (while allowing an unlimited number of rounds), established a one minute rest period between rounds, required a ten second waiting period following a knockdown, prohibited wrestling, and introduced the compulsory wearing of boxing gloves. It should be noted, however, that these gloves were intended to protect the boxer's hands, and not his opponent's head, from injury.⁸

Employment of the Queensberry rules did not prevent injuries to boxers or unsavory activities that often accompanied boxing. For these reasons, during the late 1890s there were movements in several States to ban the sport. Despite these bans, the sport continued. Resourceful promoters were known to stage boxing events in barns, open fields and even on river barges and boats. Boxing events also continued to be held in those States where boxing had not been outlawed.⁹

In 1920, upon passage of the Walker Law, New York State became the first governmental entity to regulate boxing in the United States.¹⁰ In 1924, the State of California, by way of a statewide referendum, legalized boxing. California, like New York, established a State Athletic Commission to regulate and monitor the sport's activities. Over time, 42 States and the District of Columbia legalized professional boxing and established State regulatory commissions, many modeled after the New York Commission.¹¹

Although boxing in the United States was very popular during the period from 1920 to 1950, there were continued signs that the State regulatory structure was inadequate. In March 1957 a federal court ruled that boxing's "king pin," promoter

⁷ 78 Stat. 203-204.

In 1977, the House Subcommittee on Communications conducted hearings on television's sports broadcasting practices. These hearings looked into alleged corrupt practices involving the joint Don King Productions, Inc. and American Broadcasting Company's production of the "U.S. Boxing Championship." U.S. Congress, House Committee on Interstate and Foreign Commerce, Subcommittee on Communications, Hearings on Network Sports Practices, 95th Congress, 1st Session, October 3, and November 2 and 3, 1977.

The House has also held the following hearings on professional boxing reform, including health and safety issues:

U.S. Congress, House Committee on Education and Labor, Subcommittee on Labor Standards, Hearings on the Creation of a Federal Boxing Control Board, 96th Congress, 1st Session, March 28, 29, and April 3, 1979;

U.S. Congress, House Committee on Energy and Commerce, Subcommittee on Commerce, Transportation, and Tourism, Hearings on Boxing Reform, 98th Congress, 1st Session, February 15, and March 18, 1983;

U.S. Congress, House Committee on Education and Labor, Subcommittee on Labor Standards, Hearings on H.R. 1951, 98th Congress, 1st Session, May 5, 1983; and

U.S. Congress, House Committee on Education and Labor, Subcommittee on Labor Standards, Hearings on H.R. 1689, The American Boxing Corporation Act, May 30, 1985, 99th Congress, 1st Session, May 30, 1985.

⁸ Arlott, John, editor, *The Oxford Companion to World Sports and Games*, Oxford University Press, London, 1975, p. 112.

⁹ Spears, Betty and Swanson, Richard A., *History of Sport and Physical Activity in the United States*, W.M.C. Brown and Company, Dubuque, Iowa, 2d edition, 1983, p. 154.

¹⁰ Welch, Paula D., and Harold A. Lerch, *History of American Physical Education and Sport*. Charles C. Thomas, Chicago, 1981, p. 48.

¹¹ Galemore, Gary L., *Administration of Boxing: History and Regulatory Issues*, the Library of Congress, Congressional Research Service, Government Division, September 18, 1985, p. 6, Exhibit 45 is retained in the files of the Subcommittee.

and matchmaker James P. Norris, had violated the Sherman Anti-Trust Act by illegally cornering the market on fighters and major fight promotions. A federal court in California also found organized crime figures Frank "Blinky" Palermo and Frank Carbo, among others, guilty of using extortive methods to attempt to control the welterweight title.¹² And finally, between 1920 and 1950 at least 158 professional and amateur boxers died in the ring worldwide.¹³

BOXING'S CURRENT REGULATORY STRUCTURE

The regulatory structure that Senator Kefauver found inadequate in the 1960s remains in place today. In more than 40 States, boxing is regulated on the State level. Municipal governments regulate boxing in several States including North Carolina and Kansas. There is no governmental regulation of boxing in Colorado, Oklahoma, South Dakota and Wyoming although boxing is not illegal in those States.¹⁴

Boxing commissions are typically given the authority, via State enabling statutes, to regulate all aspects of professional boxing including such things as scoring, the mandatory licensing of persons and entities associated with the sport, as well as limitations on permissible contract terms between boxers and managers.

Promoters and sanctioning bodies can easily take advantage of the many State and local regulatory bodies because each is effectively competing with one another for a limited number of boxing shows. Thus the promoter usually enjoys a buyer's market for boxing venues. If a State refuses to meet the promoter's demands, the promoter can threaten to take his boxing show, with its often substantial revenues, to another State. The sanctioning bodies are often able to impose their will on the State commissions in a similar fashion.

New York State Boxing Commissioner Randy Gordon described the situation with regard to the sanctioning bodies as follows: "... the sanctioning bodies would, in most cases, appoint the referee and the three judges themselves over the objections of the State Athletic Commissions, under whose jurisdiction the bout was held. . . . It is a game of poker. They want to see how many officials they can get by, and if they can get by with all four, the referee and the judges, they will do it." ¹⁵ Gordon went on to testify that in preparing for a lightweight championship being sanctioned by the WBA, the WBA told Gordon that if he did not go along with their selection of judges there would be no fight.¹⁶ Gordon testified that in such situations he was "more or less handcuffed" and likened the situation to being "a homeowner whose house is being robbed at gunpoint by a roving band of thugs."

Some States, such as Nevada and New Jersey, have more leverage with sanctioning bodies because the legal gambling casinos in those States are often willing to pay large fees, known as "site fees" to promoters for high profile boxing contests, thus making these States more attractive to promoters as boxing venues. Yet even Nevada and New Jersey frequently accommodate the demands of promoters and sanctioning bodies. The New Jersey commission generally allows the IBF sanctioning bodies to select two of the three judges while Nevada allows the sanctioning bodies to recommend three judges for each position.

Other States, such as Ohio, which do not offer high site fee venues, are even more subject to the pressure of promoters and sanctioning bodies. Ohio has between ten and twenty professional boxing events each year. Most are not televised and involve substantially less purse money than the televised fights with which most boxing fans are familiar. While boxing in Ohio occasionally involves big name promoters and boxers, it more typically involves local, less well known individuals. Thus, boxing in States like Ohio is out of the spotlight and generally less well regulated than even in the inadequately regulated big boxing States.

William Finissi, a former member of the Ohio boxing commission, testified that the Ohio commission was sometimes even willing to overlook criminal behavior in order to encourage boxing in Ohio. Finissi testified that a promoter named Tom Vacca was caught submitting forged medical reports certifying the health of boxers to the State commission. The Ohio commission elected only to suspend Vacca's license rather than file suit against him, as recommended by the Ohio Attorney Gen-

¹² Subcommittee On Antitrust and Monopoly, Hearings on Professional Boxing, 86th Congress, 2nd Session. Washington, D.C., June 14, 1960, p. 1.

¹³ Goldman, Herbert, editor, 1984 Record Book and Boxing Encyclopedia, Ring Publishing Corp., New York, 1984, p. 960.

¹⁴ Galemore, Gary L., Administration of Boxing: History and Regulatory Issues, the Library of Congress, Congressional Research Service, Government Division, September 18, 1985, p. 39, Exhibit 45 is retained in the files of the Subcommittee.

¹⁵ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 52 and 59.

¹⁶ *Ibid.*, p. 63.

eral. The suspension, however, did not prevent Vacca from subsequently participating in a boxing show promoted by Don King in Cleveland in June, 1992, according to testimony of Finissi.

While boxers themselves are generally required to have some type of medical check, and promoters may be required to show adequate financial resources, licensing of other boxing participants such as managers, matchmakers and cornermen, is generally automatic subject to the payment of the required licensing fee. State boxing regulators generally do not inquire into either the experience of boxing licensure applicants or their backgrounds.¹⁷ The failure to inquire into the backgrounds of boxing licensure applicants is especially surprising due to the long history of organized crime's influence in the sport.

BOXING INDUSTRY PRACTICES

SANCTIONING BODIES

Among the many factors which prevent the current system of State regulation from effectively governing professional boxing in the U.S., none is more important than the existence of powerful international sanctioning bodies—the so-called “alphabet soup” organizations. The power of these groups stems from their control of the most sought after prizes in boxing—world titles. The three most powerful sanctioning bodies are the World Boxing Council (WBC—which is based in Mexico and headed by Jose Sulaiman), the World Boxing Association (WBA—which is located in Venezuela and headed by Gilberto Mendoza) and the International Boxing Federation (IBF—which is located in New Jersey and headed by Bob Lee). The WBC and WBA are organized as non-profit business leagues within the U.S. while the IBF is a domestic for-profit corporation.

The proliferation of sanctioning bodies began in the 1960s, primarily because of the economic value of world titles, particularly to television. Previously, the New York-based National Boxing Association was the lone sanctioning body which determined rankings and title-holders in what then were only eight weight groups. Currently, each of the major sanctioning bodies has 17 weight groups, resulting in 51 possible world titles. (This total does not include titles bestowed by several less well known sanctioning bodies, nor does it include national or regional titles.) While the proliferation of world titles has clearly led to increased sanctioning fees collected by sanctioning bodies (and arguably to greater opportunities for public recognition for more boxers), it has also been widely criticized as leading to widespread confusion and dilution of the value of championships in professional boxing.

Sanctioning bodies, which authorize world championship contests, rank boxers who are eligible for such contests, establish rules for the contests, and claim authority to designate contest officials, are self appointed entities. While theoretically subject to control by State regulatory agencies, as explained earlier, sanctioning bodies are frequently able to impose their own desires. In exchange for sanctioning a match, the sanctioning body collects a sanction fee from each of the boxers. Each sanctioning body has its own rules as to how this fee is determined, but typically it is a percentage of each boxer's purse.¹⁸

In the case of major world title fights, sanctioning fees can amount to large sums of money. For example, former heavyweight champion, Evander Holyfield, testified that for his title fight against Larry Holmes on June 19, 1992, he paid the WBC a sanction fee of \$290,000, nearly twice the \$150,000 sanction fee he paid to both the WBA and the IBF for that fight. (Because Holyfield was the “unified” heavyweight champion, i.e., he held the titles of each of the three major sanctioning organizations, he was required to pay a sanction fee to each organization because each of their respective heavyweight titles was on the line in that fight.) From Holyfield alone in that fight, the sanctioning bodies collected \$590,000.¹⁹ When asked what

¹⁷ See testimony of Larry Hazzard, Sr., Commissioner, New Jersey State Athletic Control Commission, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 77; and testimony of Marc Ratner, Chief Inspector, Nevada Athletic Commission, during deposition of Dr. Elias Ghanem, Chairman, Nevada Athletic Commission, p. 24, Exhibit 11.

¹⁸ Each sanctioning body also collects a sanction fee from the promoter for each fight, as well as dues from its members; however, the boxers' sanction fees comprise the majority of these groups' revenue.

¹⁹ Jose Sulaiman, during the Subcommittee's hearings on August 12, 1992, asserted that the WBC recently changed the way it calculates its sanction fee. Previously, the WBC collected a flat 3 percent of both the champion's and challenger's purse. However, Sulaiman said that has been changed so that the WBC gets 3 percent of the first \$3 million of a boxer's purse, 2 percent

the sanctioning bodies do in return for these sanctioning fees (other than rank boxers), Holyfield testified, "I can't recall them doing anything but showing up and having judges to judge the fight;" noting that the boxer, if he wins a title, even has to pay for his own championship belt.²⁰

As the purse amounts for major world title fights continue to increase, so do the fees collected by the sanctioning bodies. According to the WBC's recent tax records, the group's income over the last three years averaged between \$1-2 million annually. Most of this revenue comes from sanction fees paid by boxers.

Sulaiman testified at the Subcommittee's August hearing that the WBC does much to promote the interests of boxing. He cited contributions the WBC has made to UCLA for neurological research involving boxing. However, the amount contributed by the WBC to this program was unclear. Sulaiman claimed the WBC contributed more than \$500,000, while UCLA advised the Subcommittee that it only had record of \$290,000 in contributions.²¹ Sulaiman also asserted that the WBC had established the Friendly Hand Foundation, a boxers' benevolent group which he asserted helps former boxers and their families with medical, living and funeral expenses.

CONTROL OF RULES AND OFFICIALS

The sanctioning bodies attempt to regulate most aspects of the title fights they sanction. Frequently, they are successful despite the fact that State boxing regulators are charged by law with the responsibility of regulating boxing. Generally, the sanctioning bodies enforce their own rules and regulations and assign most of the fight officials.

The selection of officials is obviously an important element of any boxing match. Except in the case of a clear knock-out, scoring in boxing can be quite subjective. It is essential that judges be impartial and well-trained in order to ensure fairness. However, rather than using local officials who are accountable to local boxing regulators for their performance, sanctioning bodies demand the right to assign their own officials, often from out-of-State or foreign countries, to judge boxing matches. For example, the two judges selected by the IBF for the Toney-Tiberi match held in Atlantic City were not from New Jersey, nor were they licensed as boxing judges in New Jersey. Most State boxing authorities allow the sanctioning bodies this privilege, knowing that if the State regulators object, they run the risk of the fight being moved to another State willing to accommodate the sanctioning bodies. As previously indicated, boxing regulators in Nevada, which hosts the most world title fights of any State, usually choose the judges from lists of three names for each judging position which are submitted by the sanctioning body.²² Other States, including New York and New Jersey, typically select the referee and one judge and allow the sanctioning body effectively to select the other two judges.

Generally, sanctioning bodies also invoke the use of their own rules, including their scoring rules, rather than those of the host State. For example, in the Tiberi-Toney fight which was held in Atlantic City, New Jersey and was an IBF sanctioned championship fight, the IBF rules on scoring were applied by the IBF selected judges. Significantly, the IBF rules and rule interpretations discourage the scoring of even rounds in championship fights, holding that even rounds should be scored for the champion and against the challenger. But New Jersey's rules require that an even round is to be scored as such. One of the judges in that fight saw two rounds as even, but under the IBF's rules, did not score them as such.²³

from \$3 million-\$10 million, and 1 percent over \$10 million. Sulaiman also acknowledged that the WBC does negotiate agreements with promoters establishing a "ceiling" on the amount of the sanction fee for a particular match, although there is no provision in the WBC's rules regarding ceilings on sanction fees. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 125-126.

²⁰ Deposition of Evander Holyfield, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 39, Exhibit 55.

²¹ In response to Senator Roth's request at the Subcommittee's August 12, 1992 hearing, Mr. Sulaiman submitted a written response to certain questions subsequent to the hearing. Included in this response was a list of the WBC's contributions to UCLA, totaling \$525,000. However, copies of canceled checks provided as documentation in support of this list of contributions totaled only \$415,000. One of these checks was dated August 2, 1992, 10 days before the Senate hearings. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibit 69.

²² Exhibit 11 is retained in the files of the Subcommittee, p. 56.

²³ New Jersey rules require that "If neither boxer can be judged the winner of a round, 10 points must be scored for each boxer" (N.J.A.C. 12.46-8.19(b)(4)). In contrast, the IBF guidelines

Continued

While collusive relationships between promoters and sanctioning bodies is one of the most frequently alleged areas of misconduct in professional boxing, fight officials selected for championship fights may also be subject to undue influence. The promoter usually pays all travel expenses of the officials for a world title fight.²⁴ Thus, assignments as fight officials to championship fights in places like Tokyo, Bangkok, or Las Vegas are sought after plums for foreign fight officials as well as U.S. fight officials. Referees and judges are also typically paid substantially more for world title fights than for non-title fights. Subcommittee staff has also learned through interviews that some trips include spouses and that, particularly in foreign countries, "shopping excursions" at the expense of the promoter are also sometimes included for fight officials. The major sanctioning bodies do not utilize any type of strict rotation assignment system for fight officials. Thus, plum assignments can be used to reward loyalty, rather than be earned on merit.

The potential for bias is enhanced if a particular sanctioning body is seen as working closely with a particular promoter. In that case, a fight official seeking to ensure continued plum assignments might be influenced to favor the boxer affiliated with that promoter. Such allegations have been made regarding promoter Don King's relationship with Jose Sulaiman, head of the WBC. Rival promoter, Bob Arum, in deposition testimony, claimed that "He [Sulaiman] is clearly partners with King on fighters. This [the WBC] is King's own organization. There is no difference between Don King and Jose Sulaiman."²⁵ When former heavyweight champion Evander Holyfield was asked at deposition why he thought the WBC wanted him to fight Razor Ruddock rather than Riddick Bowe he testified, "Ruddock is now managed by Don King, and Don King is affiliated with WBC. And so, when it is more money for Don King, it's more money for the WBC."²⁶

Arum testified that boxer Julian Jackson was dissatisfied with the purses King was getting for him as Jackson's promoter, so when Jackson's contract with King expired, Jackson considered signing with Arum. Sulaiman then threatened to strip Jackson of his WBC title due to a purported eye problem; however, when Jackson re-signed with King, the WBC backed off the threat and allowed Jackson to fight, his eye problem miraculously gone.²⁷

The relationship between Don King and the WBC is apparently mutually beneficial. Records provided to the Subcommittee by the WBC show that in 1991, Don King Productions, Inc. paid \$535,000 in sanction fees to the WBC. This amounts to nearly one-half of the WBC's total reported revenues in that year.²⁸ In his hearing testimony, Sulaiman denied Arum's charges, stating that he (Sulaiman) is no closer with King than with any other promoter. Sulaiman denied receiving anything of value from King or from anyone associated with King, other than trips to WBC title fights promoted by King, which are normally paid for by the promoter.²⁹

state that a judge "should very rarely have an even round, if ever. Challenger should be expected to take title from champion and not win by default" (IBF/USBA Ring Officials Guide, p. 7). This standard was emphasized in an IBF press release dated October, 1991, which stated that the scoring of even rounds "irks" IBF president Bob Lee. The release quotes Lee as stating, "[w]e have endeavored to discourage the scoring of even rounds," and that "[t]his appears to be a cop-out by officials who are paid good money to perform their duties." According to Lee, when a round is extremely close the challenger must take the title from the champion—and scoring officials should bear that in mind when scoring IBF title fights. One of the unlicensed out-of-State judges, Bill Lerch, told staff that he, in fact, judged two rounds of the fight to be even rounds, but scored these rounds for Toney because of his understanding that IBF rules did not permit the scoring of even rounds in championship fights. These rounds were the 2nd and 12th rounds, according to Lerch. See Report of Results of Investigation—Tiberi v. Toney, Congressional Record, April 28, 1992, p. S 5661.

In response to questions from Senator Roth, New Jersey Commissioner Hazzard denied being aware of the IBF policy of discouraging the scoring of even rounds. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 69-70.

²⁴ Deposition of Robert Arum, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 47-48, Exhibit 40.

²⁵ PSI Hearings on Corruption in Professional Boxing, August 11, and 12, 1992, p. 57.

²⁶ *Ibid.*, p. 38.

²⁷ Arum deposition, pp. 57-58. In his hearing testimony, Sulaiman denied the Arum allegation, stating that the WBC simply required Jackson to undergo eye exams resulting from Jackson having had a detached retina which had been surgically repaired. Exhibit 40, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 128.

²⁸ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibits 59 and 69.

²⁹ *Ibid.*, p. 127.

State boxing regulators run the risk of being unduly influenced by the sanctioning bodies because State regulators sometimes serve as members or officials of sanctioning bodies. For example, Dr. Elias Ghanem, current chairman of the Nevada Athletic Commission, served until recently as a vice president of the WBC. Historically, Nevada Commissioners have usually held positions with the various sanctioning bodies, according to Dr. Ghanem.³⁰ As a WBC official, Dr. Ghanem not only had the opportunity to vote on issues presented to the WBC, but also to serve as WBC supervisor for championship fights held in Nevada and in other locations, including Tokyo, Japan for the controversial 1990 Mike Tyson-Buster Douglas fight. He testified that State commissioners from Nevada as well as other States from time to time serve as supervisors for sanctioning bodies both inside and outside Nevada. The function of such sanctioning body supervisors is to insure that sanctioning body rules are followed, according to Dr. Ghanem.³¹ Nevada regulators have also routinely assisted sanctioning bodies in collecting their sanctioning fees from boxers by authorizing deductions from boxers' purses, despite the fact that there appears to be no specific authority under Nevada regulations for such deductions.³² In fact, heavyweight champion Riddick Bowe's purse was withheld by the Nevada Athletic Commission for several days after his November, 1992 victory over Evander Holyfield because of Bowe's failure to pay sanctioning fees.

CONTROL OF RANKINGS

Ranking boxers is among the sanctioning bodies' most important functions. If a boxer is not ranked by a sanctioning body, the boxer has no chance of competing for that sanctioning body's title and is effectively denied the opportunity for the substantial earnings that can come with a title bout. Rankings are additionally important according to testimony of Steve Farhood, editor of *Ring Magazine*, as a way to prevent dangerous mismatches and to avoid disillusioning boxing fans.³³ Due to its inherently subjective nature, the ranking of boxers has the potential for substantial abuse.

The leverage exerted by the sanctioning bodies through their rankings is illustrated by the events leading up to the controversial Toney-Tiberi bout. When Tiberi was first considered as a potential challenger for Toney by promoter Bob Arum, Tiberi was not ranked by the IBF, the sanctioning body for which Toney held the middleweight title. According to the rules of the IBF, as the title-holder, Toney could only be challenged by boxers ranked in the IBF's middleweight top 10. The IBF refused to rank Tiberi because Tiberi was the champion of a rival sanctioning body, the lesser known International Boxing Council (IBC). To make the fight possible under the IBF rules, Arum requested that the IBF rank Tiberi in its top 10. The IBF agreed on the condition that Tiberi give up his title with the rival IBC. After Tiberi agreed to give up his IBC title, the IBF ranked him No. 10 thereby facilitating the title fight the promoter wanted.³⁴ As the Tiberi situation demonstrates, cooperation between a sanctioning body and a promoter can benefit both parties, i.e., the promoter is able to schedule a fight and the sanctioning body is able to collect its sanction fees from that fight. Steve Farhood quoted veteran promoter Russell Peltz in his testimony: "Less is based on talent than at any time in boxing history. It's not whether your fighter has kayoed 20 straight opponents, but how many conventions you've been to."³⁵

One alleged example of manipulation of rankings involved Donovan "Razor" Ruddock, promoted by Don King, and Riddick Bowe, the current IBF and WBA heavyweight champion. In its February, 1992 rankings, the WBC moved heavyweight Ruddock into the No. 2 challenger position replacing Riddick Bowe, who had previously been ranked No. 2. This rating flip-flop occurred despite Ruddock having lost

³⁰ Ghanem deposition, pp. 42-43. Dr. Ghanem indicated that he recently resigned his position in order to avoid the potential for a future conflict of interest. Exhibit 11 is retained in the files of the Subcommittee.

³¹ *Ibid.*, pp. 45-47.

³² "To the best of my knowledge, in paying these fighters in the last 10 years, there's always been on the check stub a statement saying so much withheld for the sanctioning body, and that's been the custom." Testimony of Marc Ratner, Chief Inspector of Nevada State Athletic Commission, Ghanem deposition, pp. 99-100, Exhibit 11 is retained in the files of the Subcommittee. See generally, Ratner testimony, Ghanem deposition, pp. 98-100. See also Nevada Athletic Commission Regulation 467.137, Exhibit 27 is retained in the files of the Subcommittee.

³³ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 78.

³⁴ Report of Results of Investigation—Tiberi v. Toney, Congressional Record, April 28, 1992, p. S 5659.

³⁵ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 82.

both of his fights in 1991, while Bowe won all seven of his fights during that year.³⁶ Supposedly, WBC rankings are determined by the WBC ranking committee. A former member of the WBC ranking committee advised, however, that Jose Sulaiman retains final decision authority over rankings.

Do the sanctioning bodies' activities justify the large fees that they charge? As noted previously, Evander Holyfield observed, "I can't recall them [the sanctioning bodies] doing anything but showing up and having judges to judge the fight."³⁷ Further, sanctioning bodies, despite being private entities, usurp many of the responsibilities of the State and local regulatory authorities which have the legal responsibility of ensuring that professional boxing in that jurisdiction is safe and fair. State regulators face the difficult choice of yielding to these private sanctioning bodies or risking having the match moved to another jurisdiction willing to accommodate these groups.

Promoter Bob Arum summarized one view of the sanctioning bodies as follows: "These sanctioning things are clearly great rackets. . . . it is great action. You collect sanction fees. You don't account for the money. You go all over the world. You are wine and dined. It is really great business if you can get it."³⁸

PROMOTERS AND MANAGERS

WBA cruiserweight champion Bobby Czyz, in his testimony before the Subcommittee on August 11, 1992, said, "There is more honesty, loyalty and decency among common criminals and street thieves than among promoters and managers in boxing today." Czyz went on to state, however, that ". . . without these managers and promoters, the fighter has no vehicle to succeed and to get the necessary fights to earn a living."³⁹

Generally, promoters are responsible for putting the fight card together and assume the financial risk as to whether the show succeeds or fails. Thus, a promoter can be expected to pay the boxers as little as possible in order to maximize the promoter's profit. The manager, on the other hand, is responsible for representing the boxer's interests and, presumably, will try to get the boxer the best possible deal from the promoter. Thus, a manager and promoter should maintain an arms-length relationship. In most States, managers and promoters are both required to be licensed and their activities are regulated. For example, many States limit to 33 1/3 percent the manager's share of a boxer's purse. Also, some States (including California and Pennsylvania) require a contract between a manager and a boxer to be witnessed by a member of the State regulatory authority. However, as with other boxing rules, those governing promoters and managers vary among the States, as does the enforcement of those rules. Some States, such as Nevada, specifically prohibit promoters from having a financial interest in boxers.⁴⁰ Others have no such prohibitions.

Perhaps the best example of this kind of overt conflict of interest situation involves promoter Don King "negotiating" fight contracts with his stepson and purported manager, Carl King. One result of this relationship was the Tim Wither- spoon-James "Bonecrusher" Smith fight in Madison Square Garden on December 12, 1986, in which Don King was the promoter and Carl King was listed as the manager of record for both boxers in the same fight.⁴¹ This fight took place despite New York regulations prohibiting a single manager from handling both boxers in the same fight.⁴² The promoter-manager relationship between Don King and Carl King

³⁶ Sulaiman, in his hearing testimony, claimed the only reason Ruddock was ranked lower in the first place was because Ruddock had failed to pay the WBC sanction fees from his two previous fights in 1991 (March 18 and June 20, both of which were against Tyson). Sulaiman said when Ruddock paid the overdue sanction fees (with a check in the amount of \$150,000, dated December 28, 1991, which was not received by the WBC until January 20, 1992), Ruddock was restored to his rightful place as the No. 2 challenger (behind Tyson, the mandatory challenger) and Bowe was dropped from second to third. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 128-129.

³⁷ Evander Holyfield deposition, p. 39, Exhibit 55, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992.

³⁸ Arum deposition, p. 52, Exhibit 40, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992.

³⁹ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 14.

⁴⁰ Nevada Administrative Code 467.870.

⁴¹ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibits 25 and 26.

⁴² New York State Athletic Commission rule 209.3. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibit 27.

also apparently enabled Don King to evade other State laws intended to protect the financial earnings of boxers. Joseph Maffia, the former Comptroller of Don King Productions, stated in an affidavit:

" . . . Under Nevada law, the maximum percentage a manager can take from a fighter's purse is 33 1/3 percent. Yet in many cases, Don King promoted fights in Nevada in which one or more of the fighters was managed by Don's son, Carl King of Monarch Boxing, Inc. Oftentimes, in those instances, the fighters were required to pay Carl King a fifty percent managerial share, and false declarations were filed with the Nevada State Athletic Commission. Monarch Boxing was financed and controlled by Don King, and the bulk of all money received by Monarch was paid in return to Don King Productions as a 'loan repayment'." ⁴³

Don King invoked his fifth amendment rights and refused to answer questions about the Maffia affidavits during a Subcommittee deposition.⁴⁴

Another situation resulting from this arrangement was the Witherspoon-Frank Bruno heavyweight championship fight in London, England, on July 19, 1986, for which Witherspoon, the champion going in and the victor, received approximately \$90,000, while Bruno, the challenger and loser, pocketed approximately \$1.8 million.

Don and Carl King are not the only example of potential conflicts of interest resulting from family ties in boxing. Promoter Dan Duva is the son of manager Lou Duva, and there are several boxers who have been promoted by Dan Duva's promotional company, Main Events and simultaneously managed by Lou Duva, including world champions Evander Holyfield, Pernell Whitaker and Meldrick Taylor. In his testimony before the Subcommittee, Dan Duva asserted that he avoids any such conflicts of interest by requiring that his boxers have their own counsel, independent of Main Events and Lou Duva. Whatever the merits of this practice by the Duvases, the fact is that most boxers are not represented by independent counsel in their negotiations with managers and promoters, and boxers have told us that some promoters will not even negotiate if the boxers obtain independent counsel. In some cases, promoters have had boxers sign blank contract forms giving the promoter the opportunity to fill in the blanks at his convenience.⁴⁵

Where States have specific rules that prohibit certain kinds of contracts, promoters and managers easily evade the prohibitions by filing one contract which meets the State's requirements, while obtaining another "real" contract which evades the requirement. For example, Nevada has a rule against multiple option contracts.⁴⁶ Multiple option contracts are commonly sought by boxing promoters in order to tie-up a boxer in an exclusive arrangement for multiple future fights. In a typical option contract the promoter of the current champion agrees to give a potential challenger an opportunity for a match only if the challenger agrees that, should he win, the challenger will fight exclusively for the promoter for a certain number of future fights. Thus, the promoter assures that, whatever the outcome of a particular fight, the promoter will retain control over the champion. Nevada Athletic Commissioner, Dr. Jim Nave, testified that, "It is our position in Nevada that option contracts create a form of slavery."⁴⁷ Elias Ghanem, current chairman of the Nevada Athletic Commission, reiterated this view in his deposition.⁴⁸

Despite Nevada's rule prohibiting option contracts, such agreements are signed for fights that occur in Nevada. For example, on November 29, 1991, James "Buddy" McGirt fought Simon Brown at the Mirage Hotel in Las Vegas for the WBC welterweight championship. An official Nevada boxing contract for this fight was signed by McGirt, his manager (Al Certo aka Alfred Certissimo) and his promoter (Madison Square Garden [MSG] Boxing, represented by Bob Goodman) on November 22, 1991, and filed with the Nevada Athletic Commission as required by Nevada law (the "Nevada contract").⁴⁹ The Nevada contract called for MSG Boxing to pay

⁴³ Affidavit of Joseph A. Maffia of May 6, 1992. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 221, Exhibit 35.

⁴⁴ Deposition of Don King, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 208, Exhibit 29.

⁴⁵ Blank Form Agreement, Don King Productions, Inc., signed by Don King, Carl King and Tim Witherspoon, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992. Exhibit 11 is retained in the files of the Subcommittee.

⁴⁶ Nevada State Athletic Commission rule 467.112(3).

⁴⁷ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 78.

⁴⁸ Ghanem deposition, p. 70, Exhibit 11 is retained in the files of the Subcommittee.

⁴⁹ Nevada State Athletic Commission rule 467.117. Deposition exhibit 3 of Exhibit 11 is retained in the files of the Subcommittee.

McGirt \$625,000 to fight Simon Brown, and makes no reference to any future options. However, on November 26, 1991, Goodman (representing MSG Boxing), McGirt and Certo signed a document titled "Bout Agreement With Options" (the "New York contract"), which also called for McGirt to fight Simon Brown on November 29, 1991, at the Mirage Hotel in Las Vegas. The New York contract called for MSG Boxing to pay McGirt \$700,000 for this fight and, according to paragraph 12, McGirt "irrevocably" granted MSG Boxing "the Option to secure, arrange and promote [McGirt's] next five (5) professional boxing contests. . . ." ⁵⁰ Based on the option provision in paragraph 12, Nevada Commission Chairman Ghanem acknowledged that the New York contract was inconsistent with the rules of the State of Nevada. ⁵¹

Nevada also requires prior written permission from a member of the Athletic Commission in order for a promoter to provide a boxer with training expenses in advance of a fight. ⁵² For the McGirt-Brown fight, paragraph 4 of the New York contract breaks down the \$700,000 which the promoter (MSG Boxing) was to pay McGirt into "\$625,000 plus \$75,000 for training expenses." MSG Boxing paid Alfred Certissimo, Inc. (McGirt's manager's company) \$75,000 in training expenses in two installments prior to the fight without notifying the Nevada Commission. ⁵³ In this case, the training expenses were above the amount of the Nevada contract—further indication of the fact that the Nevada contract was filed merely as a formality to comply with Nevada law, but that it was the New York contract that governed the financial relationships between the boxers, managers and promoters.

Boxing regulations in Nevada and other States are designed to ensure that the boxer gets all of the money to which he is entitled immediately after the bout by requiring that the purse be paid by the promoter directly to a commission representative, who then transfers the purse check to the boxer and has the boxer sign for his purse. ⁵⁴ However, the Nevada commission keeps no actual record of exactly how much money the boxer receives. The commission's records show only the total amount of the purse from the contract filed with the Nevada commission less any Nevada commission license fees due from the boxer. The amount of money a boxer actually receives from a fight often is significantly less than the contract amount, with money deducted for advances, training expenses, sanction fees and other expenses. The Nevada commission keeps no record of deductions or of the actual amount the boxer is paid. The commission relies solely on the promoter's list of deductions from the boxer's purse, and in most cases, the commission does not retain a record of those deductions. For example, the Nevada Athletic commission form documenting payments to the boxers for the McGirt-Brown fight shows only the total purse amounts and does not reflect any of the deductions. ⁵⁵

MEDIA INFLUENCE

Television currently provides the largest source of revenue for high profile professional boxing matches. There are four different types of television which program professional boxing: "free TV," non-subscription cable; subscription cable and pay per view (ppv).

Historically, the major television networks, the primary components of "free TV," have played the largest role in boxing. In recent years, cable TV and pay per view have come to play the more dominant roles.

⁵⁰ See Ghanem deposition, Deposition exhibit 4. This document is called "the New York contract" because paragraph 16 calls for the Agreement to be governed by New York law. Exhibit 11 is retained in the files of the Subcommittee.

⁵¹ Ghanem deposition, p. 88. Neither Ghanem nor Chief Inspector Ratner had seen the New York contract prior to this deposition. Ghanem deposition, pp. 86-87. Exhibit 11 is retained in the files of the Subcommittee.

⁵² Nevada Revised Statutes 467.130.

⁵³ See Ghanem deposition, Deposition exhibit 4, paragraph 4. Exhibit 11 is retained in the files of the Subcommittee.

Nevada rules allow a boxer to assign his share of the purse by filing a written request with the commission at least 5 days prior to the fight. Nevada State Athletic Commission rule 467.137(5). McGirt filed such a request 3 days prior to the Brown fight, asking the Nevada Commission to allow McGirt's purse checks to be made payable to Alfred Certissimo, Inc. This request was approved by Commission Executive Director, Chuck Minker. See Ghanem deposition, Deposition exhibit 1. Exhibit 11 is retained in the files of the Subcommittee.

⁵⁴ Nevada State Athletic Commission rule 467.142(3).

⁵⁵ Nevada Athletic Commission boxers' payment sheet for McGirt-Brown fight, November 29, 1991, Exhibit 21.

FREE TV

"Free TV" refers primarily to the three major television networks: ABC, CBS and NBC. Through the mid-1980s, the networks were still heavily involved in airing professional boxing. During that time, ABC consistently produced the most boxing and reportedly paid the highest rights fees to televise fights—up to \$300,000 per show—while NBC and CBS paid \$100,000 to \$150,000. As recently as 1989, there were approximately 40-50 fight shows on free TV, with 15-18 on NBC and 12-20 each on ABC and CBS. But in more recent years, free TV has substantially abandoned the televising of professional boxing. NBC televised two fights in 1992 and currently has no boxing on its programming schedule. ABC televised three professional boxing shows in 1991 and again in 1992 and will probably carry a similar number of shows in 1993. CBS last broadcast a professional boxing match in 1991 and has no present plans to televise boxing. Further, the rights fees which the networks are willing to pay for boxing have fallen dramatically.⁵⁶

Several factors have contributed to the decline of professional boxing on free TV. With the advent of cable television, the sports marketplace has increased and more "product," i.e., more sporting events are being shown on television. This gives advertisers a wide variety of different sports to choose from in placing their television sports spots, thus "fractionalizing" the market. As a result, although boxing's ratings have been stable and can in fact be better than some other sports' more frequently shown on free television, the combination of boxing's demographics (heavily male viewers) and the sport's image have caused many advertisers to favor other sports. As a result, the networks do not believe they can afford to pay rights fees in the amount being paid by subscription cable and ppv, both of which are financed by subscriber revenue and do not depend on advertising.

In addition, the losses which the networks have suffered on other major sports contracts have left no room for losses on any other sports, so that if a sporting event cannot pay for itself, the networks are reluctant to air it.

Free TV does offer boxers the widest possible television viewing audience. This kind of maximum exposure allows a boxer to establish his reputation and make himself more marketable for the bigger paydays available on subscription cable and ppv. However, with free TV moving out of televising boxing, such opportunities are becoming much more limited.

NON-SUBSCRIPTION CABLE NETWORKS

The primary national non-subscription cable networks which televise boxing are ESPN and USA Network. There are also regional networks like Madison Square Garden (MSG) Network and Prime (a network of regional sports cable stations). Both ESPN and USA show approximately 40 boxing shows per year, substantially more than any other television outlets. However they have a more limited audience than free television and they pay substantially less than premium cable, so they tend to televise less well known boxers in less well known locations. ESPN has an exclusive arrangement with promoter Bob Arum's company, Top Rank, while USA contracts with a variety of promoters. ESPN and USA obtain revenue from both subscriber fees and advertising. ESPN has approximately 61.5 million subscribers, while USA Network has approximately 60 million subscribers.

SUBSCRIPTION CABLE NETWORKS

The major subscription cable networks are Home Box Office (HBO) and Showtime. Both of these networks are so-called "premium cable channels," which means they rely on subscriber revenue, rather than advertising. Each network also has to market itself every month to ensure subscribers do not cancel their subscriptions.

HBO, in particular, has upped the ante significantly for boxing shows, of which it does an average of 8-10 per year. Showtime does an average of 6-8 boxing shows per year. It is not unusual for HBO to pay \$1 million or more for particular fights, and recently HBO announced a multi-fight contract with heavyweight champion Riddick Bowe with a potential value of \$100 million, putting HBO in a league of its own.

PAY-PER-VIEW (PPV)

The most significant PPV entities involved in professional boxing are TVKO, which like HBO, is a subsidiary of Time Warner, and SET, which is owned by Show-

⁵⁶ Arum deposition, p. 13. Exhibit 40, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992.

time. The PPV entities have substantially superceded closed circuit as the preferred technology for showing specific events to home viewers. PPV technology allows customers with cable receivers that have "addressable boxes" to order and receive specific televised events. Each event is paid for separately—hence the term Pay Per View. Currently, approximately 20 million homes can access PPV.

PPV is currently at the top of the boxing television hierarchy. By charging up to \$40 for a fight, ppv is able to provide the largest purses and thereby attract the top contests. Generally, the local cable operators keep 50 percent of the PPV charge, with an additional small percentage also going to the PPV distributors, Request Television and Viewer's Choice, who are the middlemen in PPV telecasts. That leaves less than 50 percent for the promoter. TVKO plans 6–7 boxing shows in 1993, a decrease from its previous monthly schedule, while SET does an average of 2–3 boxing shows per year.

On several occasions, television networks of all types have entered into long-term relationships with boxing promoters in order to ensure a steady supply of boxing product. For example, ESPN is in its 14th year of contracts with Bob Arum's Top Rank. Similarly, HBO had a series of agreements with Don King for a period of 14 years. King and HBO had a falling out, resulting in King forming his own PPV company, King Vision, which now appears to work primarily with SET.

Most television networks contract with boxing promoters to put fights together. While the network approves the fight card, network representatives generally do not get involved in actually putting the show together—that is left to the promoter. The television network's contract is generally with the promoter who in turn contracts with the managers and boxers. Time Warner Sports (HBO and TVKO) does things differently. Seth Abraham explained in a deposition that HBO and TVKO take an active role in arranging particular match-ups which they think will be attractive. "[W]e will go to a promoter and we will suggest matches. We have particular men in mind that we want to see matched up and we will go to them," Abraham said.⁵⁷

Time Warner Sports sometimes negotiates and enters into contractual arrangements directly with boxers. For example, Time Warner Sports currently has a contract with George Foreman and has had contracts with boxers Marvin Hagler and Sugar Ray Leonard.⁵⁸ Other television networks explained that they generally contract with the promoter, who then deals with the boxers.

Time Warner Sports also enters into multiple fight or so-called option contracts with boxers, whereas Showtime, for example, generally contracts on a single fight basis. In February, 1993, Time Warner Sports and heavyweight champion Riddick Bowe held a joint press conference celebrating Time Warner Sports signing Bowe to a multiple fight contract. At the press conference, Bowe held up a facsimile check for \$100 million, indicating the potential value of the contract. Time Warner Sports has also prepared television commercials linking Bowe and HBO, and has bought time during major sporting events to show these ads.⁵⁹

Also, Time Warner Sports requires their boxers sign exclusive contracts; that is, the terms of the contract specifically prohibit that boxer from fighting on any other network.⁶⁰ Other networks, including Showtime, said they do not require exclusive contracts.

No television network is licensed as a boxing promoter. Time Warner Sports, however, arguably comes closer than any other network to acting as a promoter.⁶¹ In any event, HBO (including TVKO) is widely believed to be the major financial influence in big time professional boxing today. *Sports Illustrated* called Abraham "the

⁵⁷ Deposition of Seth G. Abraham, February 2, 1993, p. 19. Exhibit 50 is retained in the files of the Subcommittee.

⁵⁸ *Ibid.*, p. 79.

⁵⁹ *Ibid.*, pp. 17–18.

⁶⁰ *Ibid.*, p. 28.

⁶¹ Abraham, in his deposition, said attorneys for Time Warner Sports have examined this question and found that Time Warner Sports is not acting as a promoter and therefore is not required to be licensed as such. Abraham deposition, p. 51, Exhibit 50. Interestingly, the question of a television entity acting as a boxing promoter was raised by Senator Kefauver during his hearings in 1961. Senator Kefauver said, "testimony before the Subcommittee disclosed that a new type of boxing promoter—the closed-circuit TV magnate—has arisen in recent years. Corporations engaged in closed-circuit TV wield immense power over the conduct of major boxing contests; yet, they are neither licensed, nor regulated by the Federal Government—as are the regular TV networks." Senate Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, Hearings on Professional Boxing, 87th Congress, 1st Session, May 31, June 1 and 2, 1961, p. 1253.

heaviest hitter in the world of professional boxing" and claimed "that he controls, to a large degree, the colorful business of boxing. . . ." ⁶²

HEALTH AND SAFETY

Perhaps the most important area in which the current system of State regulation of professional boxing has proven ineffective is protection of the health and safety of boxers. Boxers generally enjoy few, if any, of the protections and benefits accorded other professional athletes. Boxers have no unions which negotiate safety issues, very limited, if any, health insurance coverage, and a paucity of pension plans.⁶³ The patchwork system of State regulation of professional boxing results in wide variations from State to State both in health and safety rules themselves and in the enforcement of those rules. As a result, it is the boxers who suffer.

Boxers' health and safety are endangered through gross mismatches between boxers of unequal ability, failure to enforce health and safety related suspension from one jurisdiction to another, absence of uniform drug testing standards, and gaps in enforcement of health and safety standards under the current fragmented regulatory system.

MISMATCHES

One example of a significant threat to a boxer's health and safety is the problem of gross mismatches, that is, the sanctioning of boxing contests between opponents of such disparate ability that the outcome is not only preordained, the safety of the lesser "opponent" is endangered. Such mismatches are sometimes sought to pad a boxer's record, i.e., to increase his number of wins by having him fight inferior opponents, thus making him appear, on his record to be a superior boxer and a more attractive draw, particularly for television. But as boxer Dave Tiberi pointed out in his testimony, mismatches can jeopardize a boxer's health and safety.⁶⁴

Boxing records are replete with examples of obvious mismatches. Several witnesses at the hearings cited particularly egregious cases. New York Boxing Commissioner Randy Gordon testified as follows:

In 1979, there was a WBC bantamweight championship fight in Los Angeles, California, featuring the sensational Carlos Zarate, of Mexico City. He was also a favorite of the WBC hierarchy, and he took on the No. 1 challenger, a man from Africa. Nobody knew anything about him. Nobody could watch him train. They had closed-door workouts.

When the fight started, Zarate started to go after his opponent and then saw this unorthodox style that he had never seen before, and he figured he was being suckered in, that the guy was trying to make him think that he could not fight, to land some big bomb. So the champion kept away in rounds one and two and just studied his opponent. But by the third round, he realized this man cannot fight. He moved in and he knocked his opponent out.

It turned out that this supposed No. 1 challenger had never had a fight before. How did the sanctioning body get him to No. 1? That is a question I cannot answer. I can only ask it.⁶⁵

⁶² Hoffer, Richard, "Fists Full of Dollars," *Sports Illustrated*, January 15, 1990, p. 94, Exhibit 46. Mr. Abraham demurred from this description. He testified in his deposition that boxing "... is a fraternity of maybe 12 to 15 men, and at various times the ebb and flow of the power, the impact of these 12 to 15 men vary. But I will tell you this, it is never one." Abraham deposition, p. 14, Exhibit 50.

⁶³ In a staff interview, Richard DeCuir, the executive officer of the California State Athletic Commission, explained that California is one of the few States which has instituted a pension plan for boxers. However, the pension fund has not paid out any benefits yet. The first pay-out is expected in the year 2008. A boxer who has contributed to the pension plan will receive payments when he turns 65. However, DeCuir pointed out that there are problems with the pension plan. For example, since payments will be based on contributions, the boxers who will need the pension most are likely to not qualify for a pension sufficient to do them much good. DeCuir also noted that it is very difficult to keep track of boxers. For example, he recently sent out a letter to the boxers who had contributed to the pension plan and 40 percent of the letters were returned as undeliverable. DeCuir said the California commission is considering using the money for other purposes.

⁶⁴ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 21.

⁶⁵ *Ibid.*, p. 53.

Former Ohio Boxing Commissioner William Finissi, testified that on December 12, 1991, the Ohio Boxing Commission approved a boxing match between Alex Zolkin and James Holley. At the time, Zolkin was undefeated while Holley had been knocked out in his last 24 fights, with 20 of those knockouts occurring in either the first or second round. While mismatches are common in Ohio, according to Finissi, the Zolkin-Holley bout was an unusually extreme example.⁶⁶

Gross mismatches are not only dangerous for boxers, they lead to cynicism among boxing fans and the general public. The ultimate goal of every contest authorized by a State boxing authority should be a genuinely competitive match. But State boxing officials testified that State regulators frequently lack the resources to compile or obtain the data necessary to determine whether boxers are evenly matched. Some officials suggested a national registry of boxers as a possible solution to this problem.⁶⁷ One witness suggested going back to the old system of ranking boxers in categories according to their skill level, e.g., A, B, C and D, and generally permitting a boxer only to fight another boxer in the same category, thus limiting potential mismatches.⁶⁸

RECORDKEEPING AND SUSPENSIONS

Another problem accentuated by the State-by-State variation in boxing rules is abuse of adequate recordkeeping generally and, specifically, the problem of enforcing suspensions of boxers. Generally, the type and quality of records maintained varies widely among the States. Some States verify submissions and keep detailed, computerized records which are open to the public and to other State boxing authorities. Other States accept at face value information which is submitted and keep very limited records on dusty three-by-five cards to which very few people have access. As previously discussed, former Ohio boxing commissioner, William J. Finissi, testified about a situation involving a promoter who submitted forged medical records to the State commission. The Ohio Commission elected only to suspend the promoter's license rather than file suit against him. The suspension did not prevent the promoter from participating in a subsequent boxing event.⁶⁹ But the most surprising thing may be that the forgery was ever detected at all.

Suspension standards vary greatly among the States, and due to limited communication among the various State boxing authorities, boxers suspended in one State can often subsequently be found boxing in another State.

Most States have knockout rules designed to protect the health and safety of boxers who have been knocked out by suspending them for a period of time, but the specific time of the suspension varies greatly from State to State. These suspensions can be "no contact" suspensions which prohibit a boxer from even sparring in a gym, or may be limited only to suspension from fighting a professional bout. Most States also are empowered to suspend a boxer permanently because of "diminished capacity" or other similar language, indicating that his boxing skills have waned to a point where he is no longer able to defend himself sufficiently to step into the ring without serious risk of injury.

One example cited by Randy Gordon, chairman of the New York Athletic Commission, in his hearing testimony on August 11, 1992, involved a 1982 boxing match held on board the U.S.S. Yorktown, which was anchored in the harbor of Charleston, South Carolina, between Billy Collins and Raheem Tayib. The fight was televised by ESPN and Gordon was then the boxing analyst broadcasting the fight. Gordon recognized "Tayib" as a boxer named Eddie Flanning who Gordon had just seen six nights earlier get knocked out in a fight in New York. As a result of that knockout, Flanning was suspended for 45 days under New York's rules. Less than one week later Flanning was fighting in South Carolina under a different name. Gordon advised the local boxing commission and the promoter (Top Rank) of this fact but the match went on as scheduled. Tayib/Flanning was knocked out again by Collins and, incredibly, Tayib/Flanning fought a third time several days later.⁷⁰

Another example provided by Gordon in his hearing testimony is that of Ricky Stackhouse, a middleweight boxer who started his career in 1984. By 1989, Stackhouse's boxing skills had deteriorated to the point where the New York Boxing

⁶⁶ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 57-58.

⁶⁷ Testimony of Larry Hazzard, Sr., PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 55.

⁶⁸ Testimony of anonymous witness, "Bobby," PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 117.

⁶⁹ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, pp. 57-58.

⁷⁰ *Ibid.*, p. 62.

Commission's doctors determined he should not be allowed to box again in New York and Stackhouse was suspended for life. Stackhouse then fought in Florida and was knocked out with one punch in the first round. Following that fight, the Florida Boxing Commission also suspended Stackhouse for life. Yet, even after having been suspended for life in two States, Stackhouse was able to qualify to fight in Michigan on May 26, 1992. He fought not just any opponent, but the IBF world middleweight champion, James Toney. It was not surprising that Stackhouse took a dreadful beating before being knocked out in the third round. But that is not the end of the Ricky Stackhouse story. Seated next to Gordon at the August 11, 1992, hearing was Larry Hazzard, Sr., chairman of the New Jersey Athletic Control Board, who heard Gordon discuss Stackhouse's tale. In spite of that, the New Jersey Athletic Commission permitted Stackhouse to fight in New Jersey one month later on September 11, 1992, against Charles Brewer.

In yet another similar case, Gordon explained to staff that former junior welterweight champion Aaron Pryor's eyesight had so deteriorated at the end of his career that he was legally blind in one eye and as a result none of the major boxing States would license him to box. Pryor, however, was able to schedule a fight in Wisconsin. Knowing Pryor's medical condition, Gordon sent a fax directly to Wisconsin Governor Tommy Thompson, who overruled the State boxing authority and canceled Pryor's fight. Subsequently, however, Pryor went to court and won the right to fight when the court determined that to not allow Pryor to fight would be discriminating against a handicapped person.

Another boxer, Troy Jackson, was suspended from boxing in several States. Yet, he was able to continue to box in other States, so that he ended up fighting more bouts after his suspensions than he had before his suspensions.⁷¹

DRUG AND STEROID USE IN BOXING

Another health and safety issue which the current system of State regulation does not effectively address is testing for drugs. Drug testing varies widely among the States, and no State tests for steroids. Medical experts cite the dangers which drugs and steroids pose to boxers. Marijuana, for example, can affect a boxer's hand-eye coordination for five to seven days after smoking it. Cocaine, a stimulant, can be particularly dangerous in an aerobic sport like boxing because it can increase the heart rate, causing the boxer to feel stronger and hyped-up, although he actually will lose stamina earlier, and also faces an increased risk of excessive bleeding.

The conventional wisdom among many in boxing has been that anabolic steroids would not enhance, and could, in fact, hinder the performance of a boxer. This belief appears to come from the thought that anabolic steroids would merely make a boxer bigger and slower, and cause him to become "muscle-bound." But medical evidence exists to the contrary. In fact, steroids make stronger and quicker muscles, which would be to a boxer's advantage. In addition, increasing muscle mass, while important, is not always the main reason athletes take steroids. Steroids enable athletes to train more intensely for longer periods of time without suffering the loss of muscle mass which such training regimes would normally produce. As such, steroids can help prevent the effects of so-called "over-training." This would be an obvious advantage for a boxer training for an upcoming fight.

In addition to the physical characteristics which are enhanced by steroid use, these substances also create certain psychological effects. According to medical experts, steroids create a "macho" high and very aggressive feeling sometimes called "anabolic madness." In addition to the danger posed to the steroid user, the aggressive tendencies which steroids trigger create a situation which, in boxing, is unfair and potentially dangerous to the user's opponent.

There are numerous harmful side effects of steroid use. These include liver function abnormalities, benign and malignant liver tumors, testicular atrophy, behavioral changes and psychiatric disorders.⁷²

Testing is a deterrent for both drugs and steroids, but drug testing requirements vary widely among States, with many States requiring no drug testing at all. No States currently test boxers for steroid use.

States also vary widely in the pre-fight medical exams required of boxers. New York is the most thorough, requiring an EEG, EKG, CT scan and dilated eye exam by an ophthalmologist. Clearly, it is expensive to run such a battery of tests on all boxers. However, there are other areas where ineffective State regulation is not a

⁷¹ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibit 72.

⁷² Medical Aspects of Boxing, Barry D. Jordan, M.D., editor, CRC Press, Boca Raton, FL, 1993, p. 127.

matter of a lack of finances. For example, Nevada is a State which is generally regarded as having strict medical requirements, e.g., Nevada was the first State to conduct mandatory AIDS testing of boxers. However, a ring physician in Nevada is not permitted to stop a fight as the ring physician does in some other States; that decision in Nevada rests with the referee.

CONCLUSIONS

1. The current system by which professional boxing is regulated in the United States results in inconsistent and often inadequate regulations, licensure and enforcement, to the detriment of the health and safety of professional boxers and the fairness of the sport.

2. The international sanctioning bodies effectively operate beyond the individual jurisdiction of State regulatory authorities. Because they control the most sought after prizes in boxing, i.e., world titles and rankings, they are frequently able to impose their own rules and officials on State regulatory bodies, which, by failing to comply with these demands, risk the possibility that the sanctioning body will move the fight to another, more compliant jurisdiction. Also, the sanctioning bodies are able to command exorbitant sanction fees from boxers without providing an adequate accounting of what they do with this money.

3. Alliances between key promoters and sanctioning bodies are used to manipulate rankings—thereby enabling promoters to control a boxer's career, rather than having the rankings determined primarily by the results of events inside the ring.

4. While many States have adopted professional boxing regulations, those regulations are generally ineffective because of a lack of reach of individual States' enforcement efforts beyond their own borders. For example, efforts by individual State regulatory agencies to regulate business relations among boxers, managers and promoters are ineffective because multiple contracts are frequently employed to evade specific State regulatory requirements.

5. Boxing is replete with conflict of interest situations involving promoters, managers and boxers, in which the boxers are frequently disadvantaged.

6. Mismatches between boxers of vastly different skill levels frequently occur, creating potentially grave danger for the less skilled boxer. State regulatory efforts to limit such mismatches have been ineffective.

7. The system of State regulation results in wide variations in the suspension criteria used among the States. As a result, a boxer can be suspended in one State and fight in another State. The failure of States to communicate clearly and consistently among one another also allows boxers to evade suspension rules. The lack of a central registry of boxers' records and medical data makes it difficult for States to effectively track such information.

8. Variation in scoring rules mean that the same fight can be scored differently in different States, a fact which is unfair to both boxers and fans.

In summary, the current system of State-based regulation of professional boxing is ineffective in protecting the health, safety and pocketbooks of professional boxers.

Senator ROTH. Thank you, gentlemen. I appreciate your being here today.

Our next panel of witnesses are all physicians who have a great deal of background and experience with the medical aspects of boxing. These doctors include Dr. Jack Battalia, who is a general surgeon but also serves as Chairman of the Oregon Boxing Commission.

Dr. Barry Jordan is Assistant Professor of Neurology and Public Health at the Cornell Medical School, Medical Director of the New York State Athletic Commission, and Team Physician for the U.S.A. Amateur Boxing Federation. Dr. Jordan is also the author of the textbook "Medical Aspects of Boxing."

Finally, we are very pleased to have Dr. Timothy Ward, who is Assistant Professor of Orthopedic Surgery at the University of Pittsburgh and Chairman of the Medical Advisory Board of the Pennsylvania State Athletic Commission.

Gentlemen, if you would please come forward, and as you heard, all witnesses must swear in respect to their testimony, so will you please continue rising and raise your right hand?

Do you swear the testimony you give before the Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Dr. JORDAN. I do.

Dr. BATTALIA. I do.

Dr. WARD. I do.

Senator ROTH. Thank you, gentlemen. Please be seated.

We are delighted to have each and every one of you here and appreciate your taking the time to help on what we consider to be a very important problem.

Dr. Jordan, we would call upon you to first give your testimony. I would say, gentlemen, that if you abbreviate your testimony your full statement will be included as if read.

Dr. Jordan, please.

TESTIMONY OF DR. BARRY JORDAN,¹ ASSISTANT PROFESSOR OF NEUROLOGY AND PUBLIC HEALTH, CORNELL UNIVERSITY MEDICAL COLLEGE; MEDICAL DIRECTOR, NEW YORK STATE ATHLETIC COMMISSION; AND TEAM PHYSICIAN, U.S.A. AMATEUR BOXING FEDERATION

Dr. JORDAN. Ladies, gentlemen, Senators, boxing is an inherently dangerous sport that can be made safer via improved medical supervision and safety legislation. The mainstay of these improvements require medical research to understand, help prevent, and minimize brain, eye, and other medical injuries associated with boxing.

The major concern confronting boxing today is chronic brain injury. Chronic brain injury represents the cumulative long-term effects and consequences of professional boxing and is probably the condition that afflicts Muhammad Ali.

Approximately 20 percent of retired professional boxers experience chronic brain injury. Boxers exhibiting chronic brain injury may experience slurred speech, memory loss, personality changes, difficulty with walking, and/or Parkinson's disease.

A long exposure to boxing or a long duration of career may increase the risk of chronic brain injury. Accordingly, limiting the duration of a boxer's career may reduce the risk of chronic brain injury. In addition, poor performance may be a risk factor for chronic brain injury. Therefore, it appears that boxers with excessive losses would have an increased risk of chronic brain injury. Currently in New York State, professional boxers are medically suspended for six consecutive losses or three consecutive losses secondary to a technical knockout or knockout.

Research on chronic brain injury will identify the risk factors for this condition which in turn will provide criteria for legislative changes that may prevent or limit serious illness. Formal research on chronic brain injury associated with boxing may also lead to a better understanding of the pathophysiology of Alzheimer's disease.

¹ The prepared statement of Dr. Jordan appears on page 149.

There are several pathological similarities between the brains of patients with Alzheimer's disease and boxers with chronic brain injury. The similarities may reflect similar pathophysiological mechanisms. Furthermore, head trauma has been postulated to be a risk factor for Alzheimer's disease.

Although chronic brain injury associated with boxing has been recognized since 1928, minimal medical research has been conducted to further our understanding of this syndrome. There are several factors that have limited medical research in boxing. First, there has been a lack of government monies made available for research, because boxing has a low funding priority. Furthermore, a large representative population of boxers that could effectively be studied is lacking. The establishment of a national registry of all professional boxers will provide a sample population of boxers that could be evaluated.

Unfortunately, a substantial proportion of the medical community has abandoned all efforts and concerns to improve the safety standards in boxing. Several medical societies, including the AMA, have proposed the abolition of the sport. However, banning the sport will not make it safer because it will continue underground as bootleg boxing. This bootleg boxing will occur in basements, bars, and back rooms and would totally lack medical supervision. This would result in a substantially higher injury rate and death rate.

Accordingly, I feel it is necessary to improve the sport of boxing and make it safer by advancing medical research.

Thank you.

Senator ROTH. Thank you, Dr. Jordan.

Dr. Battalia.

TESTIMONY OF DR. JACK E. BATTALIA,¹ CHAIRMAN, OREGON BOXING COMMISSION, AND CHAIRMAN, INTERNATIONAL BOXING FEDERATION MEDICAL COMMISSION

Dr. BATTALIA. As stated, I am a semi-retired surgeon. My avocation for 35 years has been boxing safety. I was a member of the Portland, Oregon Boxing and Wrestling Commission for 29½ years, actively participating in amateur boxing for 15 years as well. Five-and-one-half years ago, Oregon's law was changed and I became a member of the Oregon Boxing and Wrestling Commission, serving as chairman for the past 2 years.

As an aside, I might say that the Speaker of the House in Oregon is trying to deregulate boxing and trying to eliminate the commission, so we have a fight on our hand for standardization there, believe me.

For the past 8 years, I have also been the chairman of the IBF/USBA Medical Committee.

When first appointed to the Portland Commission, I knew nothing about boxing but my orders from the new mayor were, don't let them get hurt. That has been my priority for 35 years. We still had one detached retina and two subdural hematomas, fortunately with good recoveries.

¹ The prepared statement of Dr. Battalia appears on page 150.

Boxing is not the dangerous sport that some would like to believe. It has dropped from No. 5 to No. 9 in the past few years. This has come about because of the sweat and tears of a lot of dedicated boxing people.

The rate of deaths in horse racing is the highest, followed by sky diving, hang gliding, and auto racing. Football has many times the rate of deaths per thousand engaged in the sport than boxing, but if any sports writer or politician even suggested altering the sport, the revolution would make the Civil War look like a garden party.

One of the most important rule changes in boxing which has reduced head injuries has been the placement of Ensolite safety mats under the ring canvas. An egg dropped from four feet will not break on an Ensolite mat. Oregon was one of the first States to mandate the mat for all boxing, pro and amateur, and we got the IBF to follow suit. The leading cause of boxing deaths has been the head striking the floor and not the gloved fist.

As far as gloves are concerned, there have been some dramatic changes. First, the use of Ensolite instead of horsehair padding. Second, the tie-down thumb has reduced eye injuries and essentially prevented Bennett's fractures of the thumb.

Now this is a good time to correct some widespread misconceptions.

One, the safest fight as far as head injuries are concerned is no glove, but the contestants would be cut to ribbons and hand fractures would be epidemic.

Two, a heavier glove does not reduce head injuries, it increases them. For every two ounces of increased glove weight, it is the equivalent of putting a roll of pennies in the boxer's hand. The increased padding reduces cuts but the increased weight increases the force hitting the head and thus slapping the brain against the skull. I can demonstrate that right here. With just a hit here, you see the brain bouncing around.

In my estimation, the time has come to eliminate boxing glove weight standards. I have asked Dr. Barry Jordan if they can research the optimum density and thickness of the padding to arrive at the safest glove. Then the gloves would all have the same thickness and the only difference would be the width of the glove, depending on the size of the hand in the various weight classes.

Three, finally the misconception of headgear. Every do-gooder asks, why don't we make all boxers wear headgear like the amateurs? The headgear is a dangerous effort to make some people look like they know what they are doing. Again, the padding reduces the cuts and cauliflower ears. However, the headgear adds weight to the head and thus, when struck, the inertia slows the movement of the head and thus the movable brain inside the skull slaps around more and you get contrecoup injuries.

Contrecoup, gentlemen, is a fact that when the head is hit on one side, there can first be an injury at the site of the blow, but at the same time, the brain is moving in its fluid envelope and you will get an injury, sometimes even worse than the contact injury, at the opposite side of the brain. If you put more weight on the head, such as a headgear, then the inertia keeps the head from moving as rapidly as it should. Therefore, a blow on that head will end up with

the skull staying slower but the brain moving faster and you will get more injury on the opposite side.

I deplore the use of headgear. If somebody can make one with no weight to it, that would be wonderful.

Fourth, the four-strand ring has reduced injuries from boxers falling through the ropes but the lowest rope needs to be moved back about six inches so a falling boxer doesn't catch his neck on the bottom strand. I am positive that the Korean boxer who died in California a few years ago was killed by the rabbit punch whiplash when his neck struck the rope rather than the KO punch. This injury was dramatic when reviewed on tape.

The standards for physical exams and eye exams are out there, but only a few States in the IBF and ABC are following them. The IBF Medical Committee and its available consultants are always available to evaluate a boxer and/or his suspension.

In conclusion, I wish to point out the inconsistency of the Federal Government and boxing safety. We physicians in boxing are all aware that acute and chronic boxing injuries are more apt to occur after the age of 35 or after a certain number of fights because of slowed reflexes which can't be measured by present technology. The feds say, make it safer, but when we try to stop all boxing at the age of 35 they scream, age discrimination. For every George Foreman, who is a physical exception, there are a thousand boxers out there who are getting hurt by being allowed to continue too long. Help us put an age limit on boxing.

Thank you.

Senator ROTH. Thank you.

Dr. Ward.

TESTIMONY OF DR. TIMOTHY W. WARD,¹ CHAIRMAN, MEDICAL ADVISORY BOARD, PENNSYLVANIA STATE ATHLETIC COMMISSION

Dr. WARD. Despite a popular public misconception, boxing does not rank high on a risk of sporting endeavors which are associated with acute death. The prevalence of boxing-related deaths has been estimated to be around 0.13 per 1,000 participants. This compares very favorably to other sports, as has already been mentioned. While death in the boxing ring is certainly tragic when it occurs, current medical supervision is able to almost eliminate this event if appropriate medical guidelines are followed.

Clearly, the singularly most important and derisive medical issue surrounding the sport of professional boxing has to do with the occurrence and possible prevention of chronic brain injury among its participants.

Chronic traumatic boxers encephalopathy is a constellation of different types of cerebral, cerebellar, psychiatric, and Parkinsonian symptoms. Its time of onset, rate of progression, and clinical manifestations are quite variable. It may first make its appearance after a particularly difficult match, at the end of a lengthy career, or not until 20 to 25 years after the cessation of a boxer's career.

¹ The prepared statement of Dr. Ward appears on page 151.

As stated, the rate of progression of this syndrome is quite variable. Clearly, there are many individuals who have only a minor static involvement, but there are others that have relentless progression eventually requiring permanent psychiatric institutionalization.

The clinical manifestation of this syndrome is exceedingly variable. Early signs and symptoms include slurring of speech, diminution in cognitive function, particularly with respect to perception and memory. Dementia can become exceedingly severe and eventually indistinguishable from severe Alzheimer's syndrome. Cerebellar symptoms lead to poor coordination and unsteadiness in gait. There may be weakness of the upper extremities or dragging of a leg. Parkinsonian symptoms arise which lead to immobility of facial appearance, slowness of movement, shuffling gait, rigidity, and tremors. Psychiatric symptoms result in profound personality deterioration with generalized lack of awareness and occasional violent behavior. The syndrome complex may initially be difficult to diagnose accurately because of the vast array of signs and symptoms.

The occurrence of this syndrome is much more common in professional than in amateur boxers. It is directly related to the length of a boxer's career and probably not to the number of times he has been knocked down or out. The occurrence of the syndrome increases with increasing age of the ex-boxer.

An excellent medical study reported in 1969 by Roberts which looked at retired British professional boxers who had competed prior to World War II estimated the prevalence of this syndrome to be around 17 percent. There is no definitive work available to tell us the modern day prevalence of this syndrome.

While modern day medical intervention probably has diminished the frequency of this syndrome, there are disturbing trends which continue to be present. Studies which have utilized sophisticated CT or MRI imaging as well as neuropsychological testing continue to demonstrate a high incidence of subclinical structural findings. Whether these abnormal imaging findings and neuropsychological tests are the precursors to a full-blown encephalopathic syndrome can only be answered with a longitudinal follow-up of these modern day boxers.

I believe that there are at least seven areas in which the sport of boxing could be improved from a medical standpoint, thereby diminishing the occurrence of injury. These measures include better medical supervision; shorter competitions; more consistent medical administrative control of the sport both nationally and internationally; more knowledgeable trainers, managers, promoters, and referees; appropriate gloves, rings, posts, and headgear; and improved boxer education.

Better medical supervision can be subdivided into an improvement in the quality of ringside physicians, institution of mandatory medical suspensions, institution of a serial imaging screening program, assurance of acute life support measures, and development of a comprehensive evacuation plan and neurosurgical support in case of an emergency.

Ringside physicians should become more knowledgeable about the sport of boxing. There is an abundance of medical literature

available in the way of refereed and non-refereed articles, books, and book chapters to educate these physicians.

A physician should have freedom at ringside to stop a contest if he or she feels that a boxer is in jeopardy. There should be no interference in this regard from the State Boxing Commission or any other concerned parties.

Medical suspensions should be strict and uniform. Currently, a suspension in one State may either not be appreciated or ignored in another State. Suspensions should also apply to sparring sessions as well as competition.

Serial head scanning and ophthalmological examinations should be instituted in order to detect early, subtle abnormalities and thereby hopefully be able to prevent these abnormalities from developing into more serious problems.

A mechanism of medical supervision which is uniform nationally should be instituted. Such supervision is not currently possible within the financial budgets of most State Boxing Commissions. Enhanced funding is clearly necessary to ensure uniform high-quality medical coverage.

It is important that trainers, managers, promoters, and especially referees all become better educated concerning the medical risks inherent in boxing. The referee must recognize and understand the serious implications of the so-called groggy state in which fighters frequently find themselves. A contest should not be allowed to continue when one boxer has been concussed and is not adequately able to defend himself.

Besides chronic brain injury in boxing, serious injury is also noted in the musculoskeletal system and in the ocular system. The incidence of retinal tears in professional boxers has been estimated to be somewhere around 13 to 24 percent. This incidence is related to the number of bouts fought and to the number of losses sustained. Unfortunately, the boxer is usually asymptomatic when the injury first occurs and therefore would only be picked up with appropriate ophthalmological screening examinations. I would concur with published recommendations advising annual ophthalmologic exams.

Enactment of the preventive measures which I have mentioned with respect to brain injury would also apply to prevention of ocular or musculoskeletal injury.

In summary, I believe that professional boxing is a very difficult sporting endeavor requiring significant dedication and hard work. The participants expose themselves to significant medical risks, particularly with respect to neurologic and ocular injury. The boxing establishment, particularly the medical community, is attempting to reduce these risks but the effectiveness of these risk reduction measures cannot be determined until they are fully implemented.

As is true with most complex social issues, and boxing is surely more than simply a medical issue, there is room for compromise and improvement. Diligent medical participation will continue to enhance boxing safety. Ongoing expert care, sophisticated neurological and ocular monitoring, and high-quality retrospective and prospective medical studies, in conjunction with the institution of nationally-accepted medical standards, will eventually provide an in-

disputable data base which society can use to help make an educated, unemotional decision on how it chooses to deal with the sport of boxing.

Ultimately, it must be society that determines if the objectives of boxing are appropriate for our culture and what level of inherent medical risks we are prepared to accept as an unfortunate byproduct of this sport.

Thank you.

Senator ROTH. Thank you, Dr. Ward.

I think the testimony of all three of you is extremely helpful. I gather from what you say, that with adequate medical guidelines, the health and safety of the fighters could be substantially improved.

Dr. Battalia, if I understood what you are saying, in the case of Oregon, instead of strengthening the rules and guidelines, the problem is you are moving in the opposite direction. There is a move to do away with even the State commission, is that correct?

Dr. BATTALIA. This is exactly correct. And without mentioning the name, the speaker of our house is very much against our boxing commission because we have been doing our job and in so doing our job, we banned as a promoter his next-door neighbor and he is a sleaze, to put it very bluntly, bad checks, advertising matches that the boxers had never been even notified, and trying to slip in people that in the National files shouldn't be boxing. So we just banned him.

Well, we have a bill in this year to put a tax on pay-per-view because that is what one of the sources that we need just for operating expenses. We are a self-funded commission. Well, he has put our bill in his favorite bury committee, so we have put in another bill. If we can't operate properly, we want boxing and professional wrestling banned from the State of Oregon. We do not want unregulated boxing.

Senator ROTH. In other words, the current level is inadequate and——

Dr. BATTALIA. Well, I would say our current level right now, but our funds are running out, is very adequate. I would put our physicals with Barry's, but we are trying to be stopped.

Senator ROTH. Dr. Jordan.

Dr. JORDAN. In New York, we are probably in the forefront of medical regulation in boxing, probably in the world. One of the problems I have come across is that we don't have much difficulty implementing safety standards within New York. If a boxer in New York, say, is knocked out, we routinely suspend the boxer from anywhere from 30 to 90 days. In addition, we require that they have a repeat CAT scan and EEG before they are allowed to box again. Now unfortunately, if this is a boxer that comes from out of State, after their suspension period is up they may box in another State without that CAT scan or EEG.

I must admit, though, that New York State has afforded us the monies to regulate the sport of boxing properly by requiring that all our boxers have CAT scans, EEGs, dilated eye exams, and electrocardiograms before they fight, and that is done on an annual basis.

Senator ROTH. Dr. Jordan, I think you raise a very important point. If I understand what you are really saying, we really need uniform guidelines and rules throughout this country.

Dr. JORDAN. We need uniform guidelines and we also need—I think even more so is the enforcement of the guidelines.

Senator ROTH. Uniform enforcement.

Dr. JORDAN. Enforcement, but one of the problems of that is the cost. When I talk to other State commissions, ideally we have it pretty good in New York in the sense that we are able to perform all these tests on the boxers. But most States have not allocated the money to perform these tests. I think part of the issue is financial and it is how much money is going to be made available for us to properly medically regulate the sport.

Now, for instance, say if there was a uniform standard implemented throughout the country and say if it didn't require the use of a CAT scan or an EEG, now does that mean that in New York we would have to stop doing CAT scans and EEGs, which I think have been very helpful? And in fact, by us performing CAT scans on boxers before they receive a license, I am convinced that I have saved at least two or three boxers' lives by a pre-fight CAT scan that was abnormal that I am 90 percent certain that if they would have gotten in the ring it would have resulted in some type of catastrophic event.

So I think there is a role for the CAT scan or some type of neuroimaging procedure as a pre-fight scanning for boxing. If we had uniform standards throughout the country, then you would have to say that every State in the country would have to have a CAT scan. From the monetary standpoint, I am not certain how feasible that would be.

Senator ROTH. Let me ask you this. What would be wrong with having minimum standards but no bar for additional requirements if the State commission so chose?

Dr. JORDAN. I think that is definitely necessary.

Senator ROTH. Dr. Battalia, go back to the question, do we need minimum uniform standards?

Dr. BATTALIA. Absolutely.

Senator ROTH. Can that be done through State commissions?

Dr. BATTALIA. Pardon.

Senator ROTH. Can that be done through State commissions?

Dr. BATTALIA. Well, somebody has to say to the State, you shall have this minimum standard. I have been to meetings for these past 35 years. The ABC was formed with the idea of forming standards. I was one of the charter members. But when the individual commissioners would go home, it never was accomplished in their own bailiwick and it is frustrating.

IBF says the same thing. I mean, we have a good set of standards which will apply to your champions, but how about the other four preliminary fights on any card? The IBF doesn't have any control over them, and there are some real, real bad pre-fights that you see.

Senator ROTH. Would you agree that there needs to be some kind of a national organization to help bring about the kind of rules and regulations and the enforcement we need?

Dr. BATTALIA. Well, I certainly think there has to be a rule that says the commissions will go on a specific standard. As to who sets that standard, I am a little bit ambivalent for that. I would just as soon not have the Federal Government involved. I think this idea of privatization, of a private committee, but the rule sets up that there shall be a committee formed like this and all States will have to comply or not have boxing. I would be totally——

Senator ROTH. Many of us would like to see the sport create its own national organization, but if you look at the last 30 years, or go back to whenever Senator Kefauver had his hearings, I can't see a great deal of progress being made. So the question is, how do we bring about the goal, the objective you are talking about if the industry or sport won't do it itself?

Dr. BATTALIA. I don't think the industry or the sport can, very frankly, can actually do it for itself unless there is something out there that says they can do it. This is the thing. IBF can't do it because they have no control in any other State. In other words, it is strictly a rating organization. And State A won't listen to the suspensions that State B has.

Senator ROTH. Who else is there besides the Federal Government? I am sympathetic to what you are saying, but I am trying to determine how we can bring about the desired result if we don't move to the Federal Government.

Dr. BATTALIA. There certainly has to be a Federal law that says there will be a standardization, and how you would go about the mechanics, I would like to have it out of Washington, but maybe that is the only way to go.

One way that could possibly be done, with ABC, which is the Association of Boxing Commissions, give them the authority to make all States comply or the USBA portion of the IBF, which was the parent organization to try to protect American boxers, let them have the authority to say, this will be the minimum. That would be another, which would be like having a baseball commissioner.

Senator ROTH. What we are talking about in my proposed legislation is the creation of a public corporation that would be financed by the sport itself and run much like baseball in that you would have a very strong czar.

Dr. BATTALIA. I think that would work. I would be in favor of it.

Senator ROTH. Thank you, Dr. Battalia.

I want to get to Dr. Ward in a minute, but Dr. Jordan, you have something you want to say?

Dr. JORDAN. I agree that I think it should be implemented on a Federal level.

I just wanted to reemphasize one of the points made earlier. Most of the lay population, when they look at boxing, they see the high-profile boxers such as your Sugar Ray Leonards, Tysons, Riddick Bowes, and by a long shot those individuals are not the majority of the boxing population. And for years, I have been fearful of what the outcomes are of boxers that are your 4-round, 6-round boxers that may fight for 10 years, and in 10 years they may earn \$20,000, and then at the end of their career they suffer from neurological problems. I think these are the type of things we have to prevent.

Senator ROTH. Dr. Ward, would you care to comment on the need for some kind of a professional corporation or organization to establish and enforce basic rules?

Dr. WARD. Well, I think that clearly boxing is an inherently dangerous sport. I think its risks can be diminished with appropriate medical supervision. I agree that the State of New York is at the forefront in that movement, and I do also agree that there should be uniform national medical standards and I think that there are appropriately-educated people, medical individuals, in boxing that have a good idea of what these standards should be at this point in time.

Now how that is implemented is another issue, I guess. It takes money, obviously, to implement these standards and to do it appropriately. Dr. Jordan has the benefit of having State funds available to obtain CT scans, MRI scans, EEGs, things like that. As we are well aware, medicine is very expensive these days. These tests don't come cheaply.

Currently, in our State we have no mechanism other than forcing promoters or managers to conform to some of these things. That is always exceedingly difficult to do.

So I feel that there should be medical standards, they should be enforced nationally, someone has to pay for it. If it can't be done at each State level, if the States cannot come together as a group and control themselves and enforce these standards, then I don't see any other alternative than to having it enforced at a Federal level.

I have read some of the transcripts of what you have proposed, Senator Roth, in your bill. I don't have any objections to it. As I read it, you are not proposing to micromanage boxing, you are proposing to have some fairly reasonable guidelines to improve health and safety. So I have no problem with that.

I think that the medical situation in boxing has to improve. I think there are individuals out there that are working to improve it, but it is a difficult task when you have to fight the battle yourself at each State level. If we can do it at the State level, that is fine. If not, then another agency or branch of government may have to intervene.

Senator ROTH. Well, I think most of us would agree that the best of all worlds would be self-regulation. The problem is despite hearings held, as I say, way back in the days of Senator Kefauver, you heard what Bill Richardson and my friend Senator Dorgan have done on the House side, despite all these efforts down through the years, we don't see any self-regulation happening.

And the thing that is of such concern, if I understand you gentlemen, is that with the proper rules on health and safety, you can minimize the risk—a dangerous sport, as you say, but you can minimize the risk, so that it seems to me time is of the essence, that we need action and we need some way of standardizing it throughout the country to ensure that the rules are complied with and not avoided by hop-skipping.

We also have the problem John McCain has brought up of the international situation.

I would like to say that I thought it could be done by self-regulation and I would hope that even if we move towards some kind of a public corporation, that down the road the industry or the sport

would take it over itself, just as they have in other sports. It seems to me that is desirable.

Well, my time is up and I want to call on Senator Dorgan.

Senator DORGAN. Thank you, Mr. Chairman.

Dr. Battalia, you testified about something I had heard before, and I am curious whether the other two doctors agree with you. You indicated that, contrary to popular belief, the larger a boxing glove, the more likely it is to cause serious damage to the fighter. You say the safest fight would be between fighters wearing no gloves.

Dr. BATTALIA. That is correct.

Senator DORGAN. The larger the glove and the more padding, the more dangerous it is.

Dr. BATTALIA. It is not the padding, it is the amount of weight.

Senator DORGAN. The amount of weight—

Dr. BATTALIA. Yes.

Senator DORGAN [continuing]. Or the force—the weight and the force, I guess. You have a larger mass with the same force hitting a surface.

Dr. BATTALIA. That is right.

Senator DORGAN. You are all saying there should be standards. I am wondering, do you agree on what the standards should be? Do you, Dr. Jordan, and do you, Dr. Ward, agree with Dr. Battalia that there probably ought to be uniform weight with respect to boxing gloves in all classes of fighters? And do you agree with his contention that the larger the glove, the more potential for damage?

Dr. JORDAN. Well, I agree that there needs to be some type of uniform standard established. My personal opinion is that really the size of the glove really doesn't matter that much, not in the sense that—not to get too technical, but if you remember your old physics formula is force equals mass times acceleration. The force of a punch is usually determined mostly by the acceleration, not so much the mass. So whether it is an eight-ounce glove, a ten-ounce glove, I don't think it makes much difference.

For example, if Mike Tyson was to swing at you with full force, he would knock you out regardless of whether the glove was eight ounces, ten ounces, or 12 ounces.

Senator DORGAN. But the reason I am asking this question is that it is sort of contrary to what you believe as a kid. As a kid, my parents bought us boxing gloves, myself and my brother, and the biggest possible glove was kind of like batting each other with a pillow. It was very large, very heavily padded, and therefore it didn't hurt much. I happen to know that had my brother and I used tiny little leather gloves that we used to use around the barn to haul hay, it would have hurt a lot if we had hit each other with exactly the same punch. That sort of defies what you are telling us.

There was a subdural hematoma in Texas in 1991. There was some analysis of that by a commission in Texas, which really made no specific recommendations other than the suggestion that heavier or larger gloves be used. This analysis moves in exactly the opposite direction.

Dr. BATTALIA. Can I answer that?

Senator DORGAN. Sure.

Dr. BATTALIA. I ended up writing to the, I think it was the mayor of the city where that death happened, and pointed this out to him and I got a nice letter back because he was not aware of this.

The whole story on that was those were little 115-pound guys, and both of them wanted 6-ounce gloves because an 8-ounce glove on those little hands were sloppy, they didn't like them, they never did like them, and it was agreed to let them use 6-ounce gloves, which on those little hands were well padded.

The minute that there was this medical problem there, everybody wanted to blame the glove. I don't think it happened that way at all, and interestingly, within the next 60 days there was another fight, similar weighted individuals, with 10-ounce gloves in which the boxer had subdural. He recovered partially.

One of my friends over in England had a fight at the same time, a little bit bigger guys with some 12-ounce gloves, and there was a subdural hematoma and they almost lost that one, all within 60 days, gloves going from 6 ounces to 12.

My feeling is we are using Ensolite now instead of horsehair. It used to be with horsehair, that was the standard. It filled up with sweat, it got very heavy, it was a dangerous glove, and some of these boxers knew how to move the horsehair around so they had bare knuckles sticking out of there and they could cut a guy up real well.

I think we have the materials, and this is what Barry and I have talked about. There are different densities of Ensolite. We should know which density is the best, and it is probably going to be two densities, one softness for protecting the hand and the other the padding for the blow. But what density, what thickness, and we stop right there. The only difference in size would be the width that you need. It is going to make a little difference in weight, but you don't need to keep getting heavier and heavier gloves.

When you leave the meeting here, take a roll of nickels or a roll of pennies in your hand and hit a cushion and see what happens with that extra amount of weight. Even though you are not a boxer, you will suddenly realize you jar the dickens out of your hand.

Also, the boxing glove does protect the hand and an individual that is boxing bare-handed cannot hit as hard because he doesn't have the protection of his hand. He will break it up.

Senator DORGAN. Well, I appreciate that answer.

Let me just ask the Chairman whether there is another way to address these problems. Couldn't this be some sort of private enterprise, a non-governmental regulation? The fact is, all of us are dreaming if we think boxing is going to clean itself up, if we think boxing is going to be a self-regulatory sport in which we have a regulatory body with the authority to tell the various States what they must do.

Now Mr. Jordan, you come from New York. You have a lot of fights in New York, a lot of fights in New Jersey, a lot of fights in Nevada. In many of the other States where there are fights, the boxing commission is one person who probably doesn't know anything about the sport. He or she just shows up at the fight, grins from ear to ear just being around promoters and fighters, thinks it

is a terrific deal, but has never administered any safety rules or has no rules and regulations. I mean, that is more typical.

I saw a fight one night, a boxing card, where in the undercard I saw the same pair of trunks come out three times—[Laughter.]

And I knew it was the same pair of trunks because it was stained with blood in exactly the same place and didn't fit two of the people that wore them. These are people who are hauled in from 50 miles, 200 miles away and paid \$500 because a promoter needed an opponent. And one of them, it turned out, didn't get a purse because he was on marijuana. It was pretty clear to everybody that there was something wrong with this guy. That ended in the first round. This was simply about money.

The shame of all of this is it is simply about money by people who are using people, sending them into the ring in very unsafe conditions.

The underpinning here has to be a central registry of all boxers who enter a ring to fight in a professional fight. In this way, the boxer's name and identification is part of the central registry and we know whether they were knocked out the night before or the week before in New Jersey and whether they are eligible to fight, therefore, the next Saturday in Kansas. Right now, these same boxers are able to fight under different names or under the same name because the people in Kansas don't communicate with the people in New Jersey.

My point is this is entirely driven by money. It is increasingly concentrated in a few hands who have an enormous amount to lose if they don't provide these opponents and they want the fight to go on. There must be some kind of regulatory approach.

Now Congressman Richardson and I, I guess maybe 10 years ago, actually, introduced the first bill established a national commission in the Labor Department, the funding for which would have come from an assessment against the purses, against the match. The various boxing matches would have paid a certain fee from those matches into a pool to fund the commission.

This would not be a giant bureaucracy and would not cost the taxpayers an enormous amount of money. Instead it would establish uniform safety standards across the country, uniform licensing standards, a whole series of things that are necessary, including a central registry to put boxing on the same footing that we would expect it to be on with some of the other professional sports.

So I really appreciate the testimony you have given. All three of you have contributed, I think, to this discussion.

Dr. Battalia, you wanted to respond.

Dr. BATTALIA. Yes, Senator. There is a gentleman out there by the name of Citro who, as a hobby, has put together a computer file on all boxers that information is sent to him. It is the biggest file in the world. And any time of the day or night, you can call that man and for \$15 he will get up, go down and put in the tapes, and give you the information on any boxer, and some of them he can give you the information under three different names and four different Social Security numbers. He knows them that well.

There you can't blame the promoter, it is a crazy boxer, and they are funny people, some of them. You can't get them to quit.

Senator DORGAN. Had you ever heard of Mouse?

Dr. BATTALIA. I heard of that one, yes.

Senator DORGAN. I mean, he is relatively famous as the man who has been knocked out more than any other man in the history of boxing. He has fought under, I think he said, half-a-dozen names.

Dr. BATTALIA. Commissions don't use this information. That is the thing that drives me crazy. Fortunately, I have an executive that—I don't know the names when they are going to come into town but he calls Citro, he may call him in the course of a fight ten times. I want to know about this one, I want to know about this one, and some of them he just says, no way, and that is it.

Senator DORGAN. And the promoter also has and has had historically a stake in trying to describe the opponent as having a record that is vastly different than the actual record. If they are going to bring in a Palooka that has won one fight and lost 20 in a row, who is going to want to participate in paying for that fight? So they bring in the same fighter and say that the person is a 12-and-3 fighter with nine knockouts—deliberate distortion of the facts, of course, but it helps make the fight. And this person comes in, gets knocked out in the second round and gets his \$500 with the potential of getting severely injured.

Dr. BATTALIA. That is correct.

Senator DORGAN. And the person does it because it is the way life is. There is nothing else to do because he is an opponent. That is the way he makes his living.

Dr. BATTALIA. Yes.

Senator DORGAN. And they do it the next week as well, because getting knocked out twice in a week or two weeks is not a big thing, at least for people who are desperate for money.

Let me commend the Chairman. I appreciate your indulging me with the time, but I really appreciate the testimony of all three of you. I think it is excellent.

Senator ROTH. Thank you, Senator Dorgan.

Senator COHEN.

Senator COHEN. Thank you, Mr. Chairman.

I think we have to clarify the use of words here. Dr. Battalia, you said you would like to see some guidelines but I think what you really mean is enforcement. A guideline to me is a recommendation about what should be done. Enforcement ensures what must be done gets done. So we are not talking about guidelines, we are talking about regulations. We would have to have regulations which, by definition, would be enforceable.

Staff has indicated that Nevada does not allow the ring physician to stop a bout. Is that correct?

Dr. BATTALIA. I think that is correct.

Senator COHEN. That is correct.

Dr. BATTALIA. That is correct in our State too.

Senator COHEN. Is that something you all support, preventing a ring physician from stopping a bout?

Dr. BATTALIA. I do not want a ring physician to stop the bout because when that happens—my cohorts here may disagree with me—but what worries me when that is going on is immediately the referee who is right there, he is face to face, he can see a change in the boxer's eyes, he will wait then for the doctor to say, stop the

fight, and there may be 20 more blows thrown before he finally decides it is time to stop it.

Senator COHEN. Don't ring physicians usually stop fights in the corner on cuts?

Dr. BATTALIA. That is fine. I have never had a referee, when I have looked at a cut and just nodded, or even if somebody gets cut, he turns over at ringside and I go like this [indicating with a nod and also a shake of his head], he will stop it right then. But officially, he should be the one who stops the fight.

If you have a referee that will not take the word of a physician looking in the corner, I don't want that referee around any place in this world. He is dangerous.

Senator COHEN. Dr. Jordan—

Dr. BATTALIA. The first safety factor for a boxer is the referee. The physician is No. 2.

Senator COHEN. OK. Dr. Jordan.

Dr. JORDAN. In New York, we do have the opportunity for the physician to stop the fight in the middle of a round. I feel that it is an additional safety factor. The physician is not there to take the place of the referee, but on occasion, like all humans, referees can make errors and they may not stop the fight in time. This way, the physician can jump up on the apron after you jump into the ring and stop the fight. There have been several times I have actually stopped fights myself.

We don't have any problems with the referees, having the ring-side physician having that opportunity, and in fact, it probably keeps referees on their toes a little bit more.

Senator COHEN. Dr. Ward.

Dr. WARD. Well, I think it is essential that a physician have the authority to stop a bout. In an ideal situation, in a very competent referee, it should never be a problem because the referee is closest to the action. They should be stopping these bouts when it is appropriate. But it is an imperfect world and that doesn't always happen.

Despite the fact that an individual can be involved in the sport of boxing 30, 40 years as a referee, I must tell you, I don't think there is—frequently referees don't appreciate what a concussed state is. Most do, but there are some that don't. There are some that are a step behind the action at times. We have all witnessed that on television, various other avenues, so I—

Senator COHEN. I watched the Tommy Morrison fight and I wondered where the referee was—

Dr. WARD. Right.

Senator COHEN [continuing]. When Morrison was just being pummeled while he was helpless on the ropes.

Dr. WARD. So I feel it is essential that a physician have the authority to do that. With all due respect to all the seasoned referees that there are in the world, I don't believe there is any referee more capable than myself to understand when someone is concussed and when someone is at risk for further injury.

So if I am working a bout, I want to have the authority to stop a bout if I feel that it should be stopped. So I think it is very important that the physician have that authority.

Senator COHEN. Dr. Battalia.

Dr. BATTALIA. Could I add to that? Barry and Dr. Ward over here, I know, have to work with a lot more referees than I do. We are a small boxing State. But, in some States they don't know who the doctor is going to be hardly before the bout. It may be a pediatrician. If he sees two drops of blood, he is frantic. That can happen too.

If, with what you gentlemen plan, you have a standardization also of what it takes to be a ringside physician, then I would have no problem with it. But sometimes untrained physicians are apt to stop an important bout too soon because there is some blood flowing.

And again, as I said, I don't want the referee thinking, well, what is the doctor thinking, is he going to stop it or isn't he? Once in a while, I will have one of my referees come over and say, you know, I am sorry I stopped that one. Maybe I should have let it go a little bit further. And I will jump on their toes and say, you have never heard me complain when you stop a bout. If you stopped it too soon, fine, we can have a rematch 3 months down the line. You stop it.

Senator COHEN. Last year, Bob Arum testified before the Subcommittee that Jose Sulaiman used the threat of disbarment for an eye injury to force Julian Jackson to resign with Don King. Have any of you ever heard of other instances of medical examinations being used or misused in this fashion?

Dr. JORDAN. Not in New York State.

Dr. BATTALIA. No, I haven't.

Senator COHEN. Dr. Battalia, this was something of an educational experience for me, as it was for others, in terms of the lighter-weight gloves. I was wondering, does the same principle apply to football helmets? If you take, for example, the Jim Thorpe leather helmets they used to wear back in the 1920s or 1930s and compare that to the helmets they wear today, would you say that head injuries have been substantially reduced by the football helmet of today versus that of the Jim Thorpe days?

Dr. BATTALIA. There has been a lot of work. Wasn't it Cornell that did the initial work on the helmet, and they started using Ensolite as a basket on the inside and one of the things they wanted to do was to put an Ensolite pad in the front because of two linemen getting together and clanking heads.

But here you have the helmet is only moving at the speed of the body, it is not being swung on the end of an arm that long.

Senator COHEN. Really?

Dr. BATTALIA. I hope not. [Laughter.]

Senator COHEN. In football they have a thing called a clothesline tackle which clearly causes injuries.

Dr. BATTALIA. Well, no, but you were asking about the weight of the helmet.

Senator COHEN. If that principle is right, lighter-weight gloves would increase the risk of bone injuries or hand injuries. Would it change boxing by allowing or mandating lighter-weight gloves? Would that force fighters to go for less head shots and more body shots?

Dr. JORDAN. Well, I think the issue——

Senator COHEN. Or is it that boxers don't care?

Dr. JORDAN. Well, I think one of the issues is more complicated than that. In my testimony, I mentioned the lack of research, and to be honest with you, medical research in boxing has been very poor. So if we were to have some type of legislative change to implement changes in equipment, we really wouldn't know if there is a change in the prevalence because the statistics and the data is not kept now.

So I think this discussion also highlights the problems with the lack of research. Like in football, the headgear or the helmet in football has been researched extensively, whereas the headgear in boxing has not been investigated at all. As a matter of fact, I was reviewing a court case, the suit against Everlast, and they had a research department researching the standards of the headgear and they hadn't done any research in the last 15 years.

Senator COHEN. We haven't done much research in the way of padding versus—

Dr. JORDAN. Right.

Senator COHEN [continuing]. Non-padding on the gloves, is that correct?

Dr. BATTALIA. That is correct, other than they do know, they did do some research at Texas, I believe it was.

Dr. JORDAN. Annapolis.

Dr. BATTALIA. Pardon.

Dr. JORDAN. Annapolis.

Senator COHEN. Dr. Battalia, you talked about a friend in England. How do other countries deal with boxing in terms of regulation?

Dr. BATTALIA. Well, England is quite well regulated. Dr. Whiteson there is the chief physician and he has something like 50 doctors and it is the entire country is operated. But very interestingly, there is not a national commission or State commissions. Actually, their commissioned bodies are really made up of managers and promoters, of all the crazy things, but it is regulated within its own. But I know the medicals are pretty good because of Whiteson. He cracks a real whip.

Senator COHEN. Thank you very much. My time is up.

Senator ROTH. Thank you, Senator Cohen.

Gentlemen, I think there may be additional questions so we will keep the record open in case anyone wants to submit a question in writing.

I want to express my great appreciation for all three of you being here. I think your testimony is extremely helpful and we would like to continue working with you as we seek to bring about some improvement in the areas you have discussed.

Thank you very much.

At this time, I would like to call our next witness, Seth G. Abraham. Mr. Abraham is President and Chief Executive Officer of Time Warner Sports, a subsidiary of HBO. I want to thank him for his willingness to assist the staff in the course of this investigation and for his testimony here today. He knows a great deal about the role TV plays in boxing today. We look forward to his testimony.

As you know, Mr. Abraham, we swear in all witnesses, so if you would please rise and raise your right hand.

Do you swear the testimony you present to this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ABRAHAM. I do.

Senator ROTH. Thank you. Please be seated and proceed.

TESTIMONY OF SETH G. ABRAHAM,¹ PRESIDENT, TIME WARNER SPORTS (HBO)

Mr. ABRAHAM. Good morning, Mr. Chairman and members of the Subcommittee.

My name, as you have heard, is Seth Abraham and I am President of Time Warner Sports, a wholly-owned subsidiary of Home Box Office, Inc. For the past 15 years, I have directed the negotiations for the telecasting of professional prize fights on Home Box Office. Additionally, 2 years ago HBO launched a boxing pay-per-view network we call TVKO, which I also oversee. Between our 2 networks, we broadcast approximately 20 professional prize fights each year.

Senator McCain asked earlier what was the response to the Committee's bill among the boxing community. Steve Levin answered that there is a problem in getting support for the bill's specifics. I will, during the course of my testimony and probably during the questions and answers, support particular specifics in your bill, eight things in particular that I unequivocally support.

I would also like to thank the Committee for giving me the opportunity to express my views and support in large measure what you are trying to do.

As you well know, Congressional committees have conducted boxing probes in the 1950s, the 1960s, the 1970s, the 1980s, but I do believe that Senator Roth's bill has the potential to significantly improve boxing both inside and outside the ring.

I would also make a historical note that 96 years ago next week—I believe you have hearings next Wednesday—was the first full-length moving pictures taken of a prize fight in Carson City, Nevada, so boxing and television and the movies have been around together for a while.

First, let me discuss the issues inside the ring. I applaud your efforts to reform the conduct of the matches themselves. If you are successful, you will achieve two very noteworthy goals. Men who box for a living will be safer with more thoughtful safety protections, and equally significant, fans who support the sport will have a higher regard for boxing's credibility. In that measure, everybody gains, the prize fighters and the fans. It is for that very fundamental reason that we strongly support legislation.

There are several provisions of your bill which we feel are particularly important and deserve elaboration because they enhance the safety of the boxers and the conduct of what happens inside the ropes.

Senator Dorgan mentioned a minute ago, and we strongly urge and support, an international computerized clearinghouse which should be established as a repository for fighters' medical records,

¹ The prepared statement of Mr. Abraham appears on page 153.

their won/loss records, videotapes of all televised prize fights for reference purposes by everybody interested in matches. Home Box Office and TVKO would be pleased to make available all videotapes of our bouts for this purpose.

Second, annual licenses should be mandatory for boxers, referees, and judges.

Third, 3-year certificates of registration for managers, promoters, and trainers should be required.

Fourth, a key provision should be there to protect and ensure the safety of fighters by establishing uniform rules to govern the conduct, the refereeing, the scoring of professional prize fights.

Fifth, a Federal Boxing Commission should also impose standards for emergency medical services at every professional match.

Sixth, a Federal Boxing Commission should establish minimum standards for full physical and neurological examinations and minimal standards for the actual participation in a professional prize fight.

Seventh, the boxing community, not the Federal Boxing Commission, should explore how to establish a life, accident, and health insurance fund for professional boxers. A portion of the total revenues generated by each professional prize fight, including television, should be set aside for this purpose.

And eighth, the Federal Boxing Commission should establish minimum standards for the manufacture and use of boxing equipment, as the gentleman behind me discussed several moments ago.

I wish to point out to you that these reforms all have to do with the conduct of a fight inside the ring and the very physical safety of the men who box for a living. They deserve to be safeguarded because boxing is a hard way to earn an easy dollar.

Earlier in this statement, I suggested to the Committee that the scope of your probe should include as well the study of what goes on outside of the ropes that form the square in which fighters go to work. It is their office. That, too, needs careful study and consideration.

I have met twice with representatives of this Committee suggesting to them an examination of how the business of boxing conducts itself. I have sought to paint a detailed picture of how boxing negotiations are conducted and how television distribution deals are made. I have also responded to Subcommittee questions about how boxers are ranked, unranked, deranked, not ranked at all, and how the four governing organizations govern or not.

These ranking organizations are, unfortunately, often part of the problem, not part of the solution as they should be. Fans support boxing like any other sport. If fans lose their belief in boxing's legitimacy, the entire industry of boxing, the prize fighters, the managers, the promoters, the arenas, the television networks suffer. Truly, fans are the organ grinders, we are just the monkeys.

I believe revised standards and uniform regulations for the conduct of boxing's business should be examined carefully. In contrast to the health and safety and related issues discussed above, I do not believe that sweeping regulation of the business of boxing is necessary or appropriate. There are, however, at least two areas which merit your attention: (1), how do the four governing bodies

impact the sport, and (2), how conflicts of interest may adversely affect the prize fighters themselves.

Quite possibly, the most arcane and pernicious rules of the self-professed governing organizations are how they rate and rank prize fighters within 17, not 16, but 17 weight classes. Champions of some organizations are not even ranked in competing organizations. The undefeated heavyweight champion of the world, Riddick Bowe, is a nonperson in the WBC, the World Boxing Council. In 1992, Riddick Bowe was actually lowered in the WBC's ratings from No. 1 to No. 2, and the fighter who replaced him, Donovan "Razor" Ruddock, lost both of his fights during the like period of time.

This points to the need for an independent body, as others have said, that has no financial interest to rank fighters based on won/loss records, not byzantine politics. We support this very important reform.

To the extent that conflicts of interest may exist in the boxing business, HBO has neither the power nor the authority to police such conflicts. I believe, however, that the best way to deal with these conflicts is mandatory disclosure of information to the boxers, State, and Federal regulatory bodies. If you can ensure that everyone has full knowledge of the facts, then I believe you have gone a long way towards limiting the harmful effects of conflict of interest.

I am often asked if I consider boxing a sport. After all, one plays football, one plays tennis, one plays basketball. You don't say that you play boxing. It is a very serious sport and a very serious business.

When asked about boxing and whether it is a sport, ageless but not speechless George Foreman had this to say: "Boxing is sort of like jazz. The better one performs it, the less amount of people can really appreciate it." But boxing is a sport with thousands of practitioners and millions of fans through the United States and tens of millions around the world.

In fact, America's first identifiable sports hero was the heavyweight boxing giant John L. Sullivan, who did business as "The Boston Strongboy" throughout the 1880s and 1890s. Sullivan entered boxing lore and was held in the highest esteem when he vowed and delivered on a promise, "I can lick any man in the house."

Senators if your hearings and legislation can lick just some of boxing's problems and shortcomings, real fight fans and prize fighters would regard you in high esteem as well.

Thank you for this chance to express my views, and I hope they are of some value to you.

Senator ROTH. Thank you, Mr. Abraham, for being here today. Your help with the staff and your being here is indeed a positive contribution.

Earlier today, my good friend and colleague, Senator John McCain, quoted you as saying that boxing is the red-light district of sports. Could you explain that statement?

Mr. ABRAHAM. Well, actually I am quoting Damon Runyon, who picked it up from, I think, Westbrook Pegler.

Boxing is a tough business. It is a tough business for the prize fighters, it is a tough business for the people who are involved in it. The rules, such as they are, are very amorphous and you really have to keep your wits about you, as the fighters do in the ring. And yet it is very, very popular. It has great fans, great athletes, great writing. It is here to stay.

Senator ROTH. Let me quote how *Sports Illustrated* referred to you. They called you "the heaviest hitter in the world of professional boxing," noting that you, and I quote, "control to a large degree that colorful business."

Now I suspect as a modest individual you will not necessarily agree with that statement, but it raises two questions in my mind and I think it is certainly true that you are a heavy hitter and your industry is of critical importance to the sport of boxing.

One question I have is why can't the sport itself self-regulate? Would it be possible for somebody like yourself and your industry, together with others, to provide the kind of leadership that would bring about the same kind of self-regulation you have in other sports—baseball, football? I think everybody would prefer, if practical, to not get government involved, the Federal Government, but there seems to be no alternative.

Could you comment on that?

Mr. ABRAHAM. Senator, I weight 168 pounds. That would make me a super middleweight, not a heavyweight, and in fact, I think that article was more colorful than factual.

But more to your point, I have been sitting here since the very beginning of your hearings this morning and listening and taking notes and I literally put something at the very end of my remarks.

Boxing is very complex. Just this morning, since about ninety-three, you have talked about uniform refereeing, uniform scoring, boxing equipment, the responsibility of ringside physicians, the organizations' ratings and rankings, conflicts of interest, medical records, and the lack of medical research.

There may not be another way. Maybe that response surprises you, but there may not be another way. There are four organizations, two of which are outside of the United States. They are feudal duchies. It is sort of like Italy in the 15th century. Each one is sort of an independent State, and I dare say that there is no one person, no one organization extant in boxing today who could clean up the sport and reform the sport.

I regret that, because from a television perspective, if fans like boxing, believe in boxing, hold boxing in high regard, that is good for our business.

Senator ROTH. Well, in the alternative, let me ask you to do this, because I think that you and others in similar positions do carry great weight. I think there is a broad consensus, not entirely throughout the industry, however, that some step along the lines of what I or my good friend Bill Richardson am proposing is needed at the Federal level.

It would be most helpful to us, and let me thank you for your endorsement of our legislation in your opening remarks, but it would be most helpful if we could get active support from boxing itself in supporting this legislation that we want to enact.

What concerns me is that there have been hearings for 30 years on this matter and very little has happened, and I don't want that to happen again. I want to see some constructive action, as one who believes boxing should continue.

I would hope that you and others like you, but particularly you because of your most critically important role, could garner support, active support for legislation along the lines we discussed.

Mr. ABRAHAM. I would say, Senator, that in some corners of the sport we could. Regrettably, in most we couldn't. HBO/Time Warner Sports is an influential, not the most powerful, but we are indeed a very influential member of the boxing community. But for many reasons, much of which you talked about today and I intend to elaborate at least on 1 or 2, there are so many self-interests in boxing that it is very hard to find any community of interest on most of these issues.

You have talked and others have talked about the boxing organizations. There are four organizations. There are 17 weight classes. My arithmetic tells me that is potentially 68 world champions. Now it happens that there aren't, there are certain men who hold two belts, but I can tell you as we sit here today there is no man in boxing who can say, I am the undisputed champion of my weight class.

Riddick Bowe beat the man, Evander Holyfield, who beat the man, Buster Douglas, who beat the man, Mike Tyson, who beat the man, who goes all the way back to John L. Sullivan. Riddick Bowe is the lineal descendant of John L. Sullivan 110 years later and one organization doesn't list him as the champion. There is something wrong there.

Well, what is wrong is a self-interest to have multiple champions, multiple sanction fees, multiple license fees. Ultimately, that hurts the sport. That hurts the sport. Forget television, that just hurts the sport.

So could we pull together some community of interest? Yes, we could, but regrettably it wouldn't be universal.

Senator ROTH. Whatever you can pull together would be a positive factor.

Mr. ABRAHAM. I like to think we do. We do title fights even after men have been stripped of their belts, because the organization says, you are no longer our champion, we continue to proceed with those prize fights.

Senator ROTH. Let me ask you this, Mr. Abraham. Does HBO contract directly with individual boxers?

Mr. ABRAHAM. In fact, Senator, there is a page in the staff report which was brought to my attention this morning, and it says that Time Warner Sports sometimes negotiates and enters into contractual arrangements directly with boxers. I think that is miscasting it.

We have several contracts in which the fighter is party to the contract. We now have a George Foreman contract in which George Foreman is a party to the contract. We did not negotiate that deal with George Foreman, it was negotiated with his promoter and his adviser and Foreman was party to it, but here is the key. George Foreman goes fight by fight with his promoter. His promoter could not contract George Foreman to a three-fight con-

tract but George Foreman wanted to enter into that deal so George Foreman is a party to it.

There are other fighters, Senator, who do not have a manager. Ray Leonard when he was fighting did not have a manager, he had a legal adviser, and there were times that Ray Leonard would be party to the contract. We do not deal directly with fighters, as this statement would imply.

Senator ROTH. My time on the first round is up.

Senator Cochran.

OPENING STATEMENT OF SENATOR COCHRAN

Senator COCHRAN. Mr. Chairman, I came over here to learn about the issue. As a new member of the committee, I am aware of your interest in the subject matter and I want to commend you for your leadership in developing the legislation and convening hearings and helping to lead the staff to review this very important area of interest.

I tend to approach these issues with some caution about the need for new Federal legislation in an area that may have been regulated by some States very well, and I was wondering whether or not Mr. Abraham has an opinion about whether some States have done an exceptionally good job of boxing regulation to the extent that we might look to those States for leadership in developing a Federal format or Federal standards.

I think about Nevada and New York, States where I know I have watched fights on television broadcast from those States since I was a youngster, and identify them with experience in this area. There are many other States. Although John L. Sullivan fought some of his great fights on the Mississippi Gulf Coast, they weren't broadcast on television and I don't know that we even have a State Boxing Commission or regulation in my State. I am just not familiar with it.

What is your—

Mr. ABRAHAM. Yes, you do.

Senator COCHRAN. What is your view of State regulation in this area? Does Nevada or New York or some other State have a model regulatory commission that we might consider reviewing for the purpose of writing Federal regulations?

Mr. ABRAHAM. Senator Cochran and Senator Roth, I think you have hit on something. There are a number of States, Nevada, New York, California, New Jersey, that the State athletic commissions are very progressive, I believe have great integrity. And I think if you sat down with their chairmen and commissioners and sort of put together the outline of what a regulatory body could look like, the best of all these States, the best of their rules, the standardization of their rules.

I am well aware of why these hearings began because I was at home and I watched the Toney-Tiberi fight as a fan and as somebody in the business. It was an extraordinarily close fight, but there are terms in boxing that are arcane to all but a few people in this room, ring generalship, effective aggression. But if you go to these States and try to get some sort of standardized rules, I think

that is a terrific starting point, because these men and women care about the sport and they have obviously demonstrated it.

I would say those four States—I would add California to that list—I would say those are the five that come to my immediate mind.

Senator COCHRAN. Thank you very much, Mr. Chairman.

Senator ROTH. Thank you, Senator Cochran.

Mr. Abraham, your statement suggests that while you think some additional regulation of boxing inside the ring may be warranted, you are not so certain that more uniform regulation outside the ring is needed. But isn't that part of the purpose of current regulation, to prevent the financial exploitation of boxers? Isn't that why managers are limited in most States to one-third of the boxer's purse, and that most States also require purse money to be physically delivered by a boxing commission representative directly to the boxer?

We have found that unscrupulous managers and promoters easily evade the current regulations to the financial detriment of boxers. Do you disagree with that conclusion?

Mr. ABRAHAM. Senator, my father and my wife taught me to be an idealist. There are certain rules, skinny as they may be, that protect the fighter. New York State has them in terms of percentages that a fighter must give to a manager, a promoter, a trainer. There are certain States that do protect that.

I would like to see somebody go further. The organizations—I think if there is a way to create a ranking body that has no financial interest in a prize fight, no sanctioning fee. Why the hell should Evander Holyfield have to spend \$600,000 to defend his belts? For the life of me, I don't understand that. I don't understand that. I don't care if it is \$1, I don't understand why a fighter has to pay a sanctioning fee. What do these organizations do?

So my recommendation would be, again going further, to try to look at the organizations, protecting the fighters that way. Riddick Bowe is now heavyweight champion but who was there to protect Riddick Bowe when he got pushed down to No. 2, to a fighter who is 0 and 2, there was no one there to protect him. There is where fighters at all levels, not just the championship levels, at all levels fighters need protection.

Senator ROTH. So you believe it is important that we take away the ranking from these sanctioning bodies and put it into some kind of independent——

Mr. ABRAHAM. Not only independent, but somebody who has absolutely no fiduciary involvement in who wins or who loses or where the fight takes place, is absolutely pristine in ranking the fighter.

Senator ROTH. Would that be one individual or some kind of a committee?

Mr. ABRAHAM. In major league baseball, there is a panel to elect members, both living and deceased, into the Baseball Hall of Fame, and I think this is as close as I can recommend to you. And that panel who elects ballplayers into the Hall of Fame is an amalgamation of sports writers, officials, ex-players, no current players but ex-players, and it is a representative sampling of the sport of major

league baseball. I think some representative body like that would be most effective.

Senator ROTH. I was intrigued to learn that boxing attracts the highest ratings of all programming at HBO, with big fights out-drawing even Michael Jackson and Madonna; is that correct?

Mr. ABRAHAM. That is absolutely true. The highest-rated programming on Home Box Office on the Nielsen ratings are the big prize fights.

Senator ROTH. Let me ask you, what are the primary revenue sources for HBO? How many subscribers do you have?

Mr. ABRAHAM. Home Box Office today has approximately 18 million subscribers in all 50 States. As many of you know, we have no advertising so our revenue stream comes from subscriber fees, monthly subscriber fees.

Senator ROTH. What is the difference between HBO Sports and TVKO?

Mr. ABRAHAM. HBO Sports is one of the programming components of Home Box Office. There are five or six other units. HBO Sports is one of them, much like the commercial networks would have a sports department.

In April of 1991, HBO Sports, Time Warner Sports, launched a boxing pay-per-view network that we call TVKO, which is a per-charge, not a per-month, but a per-charge fee to see our fights.

Senator ROTH. Mr. Abraham, I greatly appreciate your being here today and your most helpful testimony. I would like to call on you further as we try to proceed with the enactment of legislation. I think someone in your very key role can be most helpful.

Mr. ABRAHAM. I would be pleased to.

Senator ROTH. I certainly appreciate your being here today. Thank you very much.

Mr. ABRAHAM. Thank you.

Senator ROTH. Our final witness today will be Michael Aresco. Mr. Aresco is Program Manager for ESPN.

Mr. Aresco, if you would stay standing. As you know, you have to be sworn in. Would you raise your right hand?

Do you swear the testimony you will give before the Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ARESKO. I do.

Senator ROTH. Thank you. Please be seated.

I want to thank you, Mr. Aresco, for you and your staff cooperation during this investigation.

Please proceed with your statement. As I said earlier, if you can summarize it in part, the full statement will be included as if read.

TESTIMONY OF MICHAEL L. ARESKO,¹ PROGRAM MANAGER, ESPN, INC.

Mr. ARESKO. Thank you, Senator.

Mr. Chairman, members of the Committee, my name is Michael Aresco. I am a program manager in the ESPN Programming Department. ESPN is the Nation's largest cable network, reaching ap-

¹ The prepared statement of Mr. Aresco appears on page 155.

proximately 61.8 million homes. It is an all-sports network which has programmed over 60 different kinds of sports. As a program manager, I acquire and manage programming in various categories, including college football, rodeo, other equestrian programming. I have handled NCAA championships, yachting, fitness and aerobic shows.

One of my current programming responsibilities is ESPN's boxing. I have been with the network 8 years and was Assistant General Counsel before joining the Programming Department.

In April, ESPN celebrates the 13th anniversary of our popular and successful Top Rank boxing series, which features up-and-coming fighters as well as established fighters, although we do not do the million-dollar fights. That is not our area. The series has featured, however, important title fights, world title fights, and entertaining and significant non-title fights, and over the years we have televised occasional boxing cards from other promoters, which we refer to as wildcard fights.

Boxing is a major and popular sport among our viewers worldwide. Our philosophy, as manifested in our series, has been and remains to provide our viewers with the best-quality fights that they would most want to watch. We are proud of the integrity, stability, longevity, and ratings and production success of the series.

Let me give you briefly some background on how we program boxing at ESPN. We televise approximately 40 boxing cards per year. Virtually all are live although this year we may do several that would be taped. As best I can determine, we do about 20 percent of the televised boxing in the United States.

Top Rank is the company that provides us with most of our boxing. Top Rank arranges the match-ups, employs matchmakers who try to create exciting, competitive quality bouts which make for good television. Top Rank handles all the arrangements necessary to stage the events for television. We, in turn, select the announcers and commentators and produce the telecasts. Included are various features that we also telecast, such as our "Ringside Report" which features current news.

Our boxing mix consists of fights in most weight classes. For example, we recently televised the IBF cruiserweight title fight between Alfred Cole and Uriah Grant. Riddick Bowe, Mike Tyson, and Tommy Hearns have all fought on Top Rank boxing as they were ascending in their careers.

Additionally, ESPN televises historical boxing matches we call "Superbouts." These are 1-hour shows featuring footage of famous fights such as Ali-Norton, Leonard-Duran, or compilation shows such as George Foreman's knockouts.

A gauge of boxing's popularity is our high ratings for the Top Rank series. In 1992, we averaged a 2.2 rating for 40 cards. A rating point represents 1 percent of ESPN's viewer universe of approximately 61.8 million households, as I alluded to. This translates to approximately 618,000 homes. A 2.2 rating would therefore represent approximately 1,360,000 households who regularly watch ESPN's Top Rank boxing.

We take measures to safeguard the integrity of our boxing. Top Rank does not use fighters whose records cannot be verified by the well-respected Ralph Citro Record Service and there are absolutely

no exceptions. All feature match fighters must have winning records. We require Top Rank to sign a quarterly certificate certifying that all information to be provided to ESPN during the affected calendar quarter with respect to all fighters appearing on ESPN is true and correct.

In summary, boxing is an important part of ESPN's programming mix and it has consistently been one of our highest-rated series over the years.

Thank you.

Senator ROTH. Thank you, Mr. Aresco.

I believe you have been sitting here this morning during these hearings and probably heard the testimony of the problems with State regulation of boxing, the ease with which the rules can be avoided and the problems that are inherent in getting any minimum health and safety rules.

Would you be supportive of some approach such as my legislation to create a public corporation to regulate boxing?

Mr. ARESKO. Senator, we would welcome anything and any approach that would improve boxing, as we would in any sport. Uniformity would appear to have many advantages. Minimum standards from State to State clearly would appear to have many advantages.

I want to be cautious, because as a programming and a television network, we don't necessarily have an opinion on how best to go about this or how it should be handled. It isn't in the scope of our authority. Obviously we are an interested party. I think we probably ultimately lack the expertise. The headgear issue was a perfect example of where we might think that heavier gloves or headgear would be a better thing and apparently it is not. Seth Abraham referred to the complexity of these issues and therefore we are cautious.

We ourselves do not feel we are the problem because we feel we take stringent measures and we require our packager, Top Rank, to take stringent measures to ensure the safety and integrity of our boxing and we rely on their expertise.

We certainly want to be helpful, but I don't know that it is within our bailiwick to have a particular opinion about this, other than, again, uniformity and minimum standards would appear, in my judgment, to be useful.

Senator ROTH. A number of witnesses have testified that if something isn't done to "clean up the sport," that boxing is going to lose the confidence of the public. I assume that would be a concern to you as one who provides boxing to much of the public.

Mr. ARESKO. It is, Senator, and we feel that the marketplace would demand that our boxing have integrity and we do everything we can to ensure it.

I think the question becomes, which of the measures are most appropriate, and I am just not sure we are in a position necessarily to know that or to be able to comment.

Senator ROTH. Do you agree that there should be some uniformity throughout the country as to basic health and safety rules?

Mr. ARESKO. In my judgment, there would definitely seem to be a need for that. There was an allusion made and references made to certain commissions being stronger than others—Nevada, New

York, California, New Jersey. Those are the places where we do the bulk of our boxing and it is my understanding that those, especially Nevada, are strong commissions with strong requirements, and obviously we would support and applaud that and any effort to make those stronger.

Senator ROTH. Notwithstanding that testimony, we also have evidence, for example, that a boxer in one of those States that is suspended from further boxing easily avoids those rules, so that accepting at face value that those States have strong commissions, although we had some evidence last summer that some of them, their enforcement of the rules leaves something to be desired, there is still the ability to avoid restrictions, because of the differences between states.

For example, we are told that sanctioning bodies can often overrule a State commission because they will tell the State commission, well, if you don't agree with us as to who is going to be the referee or the judges or whatever, we will just take the fight somewhere else. Do you see that as a problem?

Mr. ARESKO. That would be, and in fact, in title fights where there is a sanctioning body involved, it is my understanding that the sanctioning body can overrule State commissions, pick referees, etc.

Top Rank, our packager which organizes our boxing, disagrees with that policy and would rather see the State commissions have that control. And again, Top Rank has been at this a long time and has improved over the years and has worked hard on its methods. I believe that that is something that the committee would want to know, that Top Rank does not support that.

Senator ROTH. What are the primary revenue sources for ESPN?

Mr. ARESKO. We generate revenues from affiliate monthly fees and also from the sale of advertising time, primarily.

Senator ROTH. It is my understanding there is a difference in the type of boxing matches which would appear on your respective networks, with HBO and TVKO doing what is called megafights and ESPN doing marquee fights.

What is the difference? Can you give us some examples of fights the networks broadcast?

Mr. ARESKO. Yes. Over the years, Senator, we have featured for the most part up-and-coming young fighters who are not as well known to the general public, whereas HBO and TVKO in turn would concentrate on major title fights involving purses of millions of dollars.

Our boxing is, I think, several levels above club boxing. We do feature title fights from time to time. We have recently had the Pendleton-Spann IBF lightweight title fight, and the Alfred Cole-Uriah Grant fight was an IBF cruiserweight title fight.

I would say of our 40 cards a year, somewhere in the neighborhood of 12 to 24 would be title fights sanctioned by either the three major sanctioning bodies, or the NABF or the USBA. For the most part, our boxers are established fighters, but we also feature undercards where we have younger fighters coming up. For instance, recently on ESPN you've seen Oscar de la Hoya, the Olympic champion, fight, and you would see other fighters like that fight. At some point, Oscar de la Hoya might fight for a title and perhaps do

a pay-per-view fight, and ESPN would probably not be involved in that.

Senator ROTH. Does ESPN contract directly with the individual boxers?

Mr. ARESKO. No, we do not, Senator. We contract with Top Rank and Top Rank takes care of details and deals with the individual fighters.

Senator ROTH. Do you select the boxers? Do you have any veto power over specific boxers?

Mr. ARESKO. Senator, we do not select the boxers per se. We have input, we can make recommendations, we do have veto power, but for the most part, we rely on Top Rank's expertise and they set up the matches.

Senator ROTH. Why do you think free TV networks, for all intents and purposes, currently are out of the professional boxing business?

Mr. ARESKO. I think there are several reasons. One is that I believe the demographics of the boxing viewing audience tend to be older. In other words, the viewers, as opposed to some sports, tend to be older and advertisers have less incentive to target those viewers. That is just the way the television business works, and I think that because the networks don't have the affiliate fee revenue stream, they have to rely heavily on advertising, and I think some of that has dried up.

I believe also that the image of boxing may be a factor. I don't know, but certainly the advertising sales situation and the older demographics, I think, would be key reasons the networks aren't doing as many fights.

Senator ROTH. What impact, if any, will the virtual absence of free TV have on boxing in general?

Mr. ARESKO. I think boxers certainly receive less exposure and therefore you have fewer household names, and I think that probably hurts us.

Boxing would think in some ways a lack of broadcast network boxing would mean that some fighters who used to appear on the networks would appear on ESPN. To some extent that is true, but in another sense it isn't true because certain boxers, once they reach a certain position, want large fees and purses. Therefore, if the networks weren't going to pay that kind of fee, they would simply not appear on the networks or ESPN and they might do HBO or pay-per-view fights. But clearly, exposure for fighters would be the impact.

Senator ROTH. Mr. Aresco, as I indicated earlier, we will keep the record open temporarily for further questions, for the next 3 days.

But I appreciate your being here and look forward to continuing this dialogue.

Mr. ARESKO. Thank you, Senator.

Senator ROTH. Thank you.

Mr. RINZEL. Mr. Chairman, I have a list of exhibits that we would like to have included in the record at this time.¹

¹ The exhibits from the Minority Staff appear on pages 163 thru 266.

Senator ROTH. Without objection.

There are plans for additional hearings, at least one more, but the date is not yet firmed up so that will be determined at a later date.

The Subcommittee is in recess.

[Whereupon, at 12:19 p.m., the Subcommittee adjourned, subject to the call of the Chair.]

CORRUPTION IN PROFESSIONAL BOXING

Part II

THURSDAY, APRIL 1, 1993

U.S. SENATE,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:05 p.m., in room SD-342, Dirksen Senate Office Building, Hon. Sam Nunn, Chairman of the Subcommittee, presiding.

Present: Senators Nunn, Dorgan, Roth, Cohen, and McCain.

Staff Present: Eleanore J. Hill, Chief Counsel; John F. Sopko, Deputy Chief Counsel; Mary D. Robertson, Chief Clerk; David B. Buckley, Chief Investigator; Harold B. Lippman, Investigator; Cynthia Comstock, Executive Assistant to Chief Counsel; Daniel F. Rinzel, Minority Chief Counsel; Stephen H. Levin, Mary E. Michels, and W. Leighton Lord III, Minority Counsel; Scott Orchard, Minority Investigator; Sallie B. Cribbs, Minority Executive Assistant to the Chief Counsel; Carla J. Martin, Minority Assistant Chief Clerk; Betty Ann Soiefer (Senator Glenn); Jennifer Urff and Gene Harrington (Senator Dorgan); Tony Sanchez (Senator Bryan); Dale Cabaniss (Senator Stevens); Matt Frost and Paul Brubaker (Senator Cohen); Robbie Wilbur and Grant Fox (Senator Cochran); Mark Buse, Brad Belt and Paul Feeney (Senator McCain).

OPENING STATEMENT OF SENATOR NUNN

Chairman NUNN. The Committee will come to order.

This afternoon, the Permanent Subcommittee on Investigations returns again to its examination of corruption in professional boxing.

The Subcommittee's investigation, which was initiated early last year by ranking minority member Senator Roth, resulted last August in the first of what has become a continuing series of hearings. The August hearings focused on the role of State regulatory agencies and sanctioning bodies in protecting the interests of professional boxers.

Early last month, the Subcommittee received additional testimony from a panel of medical experts who outlined their concerns regarding a variety of health and safety issues affecting professional boxers and offered a number of recommendations to address them. At that time, we also heard from cable television network executives who described their industry's involvement in professional boxing, and from Congressman Bill Richardson, a long-time propo-

nent of the need to establish Federal regulation and oversight of professional boxing in our country.

In today's hearings, we turn to yet another of the significant questions facing professional boxing—the role or alleged role of organized crime therein. We will have a witness first, and then we will hear from the minority staff, who will present a summary of their findings in this regard. One-time Gambino organized crime family underboss, Salvatore "Sammy the Bull" Gravano will be our first witness, and then we'll follow with the minority staff.

As many of you know, Mr. Gravano was the Government's key witness in the recent trial and conviction of one-time Gambino crime family boss John Gotti. Reflecting his long experience as a Gambino crime family member, Mr. Gravano will offer testimony based on his personal knowledge of the relationship between criminal elements and professional boxing.

The remaining witnesses to be heard are boxers and those associated directly or indirectly with them.

As before, I want to commend Senator Roth and his staff for their hard, diligent and effective work. Allegations of organized criminal involvement in boxing have long been a concern of those in Congress worried about the sport's safety and credibility. Indeed, this very question was foremost among those raised more than 30 years ago by Senator Estes Kefauver, whose investigation of professional boxing revealed widespread and pervasive involvement on the part of organized crime individuals and interests at that time.

With this historical record in mind, I look forward to today's testimony. To the extent that it confirms or disproves present organized criminal activity in professional boxing, it will assist us in more accurately assessing the sport's integrity, viability and long-term prospects.

Senator Roth, we appreciate your leadership here and the leadership of your staff, and I'll turn to you for your statement, and then we will have our first witness.

OPENING STATEMENT OF SENATOR ROTH

Senator ROTH. Thank you, Mr. Chairman.

As we resume our inquiry into corruption in professional boxing, I want to thank you, Mr. Chairman, for your cooperation during the course of this investigation and to thank your staff for their support.

More than 30 years ago, after the last Senate hearings on professional boxing, Senator Kefauver stated, and I quote: "Professional boxing has had too many connections with the underworld."

What is the current state of underworld connections with boxing? In our hearings last August, we heard testimony, supported by FBI surveillance tapes, that four organized crime families were involved in arranging a single meeting in 1983 between undercover agents, organized crime figures, and one of boxing's leading promoters. The purpose of that meeting was to discuss doing a boxing promotion to launder drug money.

And what about today? I would like to be able to say that professional boxing has cleaned up its act, and organized crime is no longer among the sport's many problems. But as we will hear

today, this is not what the evidence shows. Instead, the evidence shows that the tentacles of organized crime still extend into the boxing ring, squeezing the mob's cut out of boxers. Unfortunately, State boxing regulators have been, and continue to be, unable to cut off these tentacles.

Of course, the stakes are higher since there is potentially much more money to be made in boxing today. Former middleweight champ Jake LaMotta earned a total of \$1 million in his 13-year boxing career that ended in 1954. Today, it is not unusual for a top-ranked boxer to make that much in a single fight.

The more money to be made, the more the mob is interested in boxing. A former captain in the Colombo crime family told us that during our August hearings. And as we will hear today from another organized crime member, the mob has adapted to the changing boxing market. Today, the mob is less likely to fix fights and more likely to seek control of individual boxers, managers and promoters, and thus collect its share from their big paydays. The boxer may even be an unwitting dupe in the whole scheme. However, as with the other problems we have found in boxing, it is the boxer and the public who lose, whether the boxer knows it or not.

The irony is that while boxing and the mob's methods have changed, the regulatory system designed to protect the boxers remains basically unchanged from when Senator Kefauver first found it to be inadequate. Senator Kefauver concluded—and again, I quote—“Major boxing contests, because of their interstate character, are presently beyond the power of any State to regulate fully and effectively.” As a result, while it is called “the sweet science,” boxing often turns sour for those the system is supposed to protect.

Every day, in gyms throughout this country, in big cities and small towns, young men spend countless hours training in the hope of achieving a dream. Unfortunately, we have found that they often become victims of a system riddled with abuses, a system that cannot protect their health and safety, a system that cannot protect them from financial exploitation. The dream often becomes a nightmare.

I believe this investigation has shown that it is time for all of us to wake up to the fact that the professional boxing industry is unwilling and perhaps unable to police itself. We owe it to these young men to establish a system that works as hard outside the ring to protect them as they do inside the ring. I look forward to working with my colleagues to achieve that goal.

Once again, Mr. Chairman, I want to thank you for your leadership and support.

PREPARED STATEMENT OF SENATOR ROTH

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Once again, Mr. Chairman, I want to thank you for your leadership and support.

Chairman NUNN. Thank you, Senator Roth.

Senator Cohen or Senator McCain, do either of you have any opening comments?

Senator COHEN. I do not, Mr. Chairman.

Senator MCCAIN. Thank you, Mr. Chairman. I'll include my statement in the record.

Chairman NUNN. Without objection, it will be part of the record.

PREPARED STATEMENT OF SENATOR MCCAIN

Thank you, Mr. Chairman. I want to thank you and Senator Roth for your continuing efforts to examine the serious problems that exist in professional boxing in America. Each hearing is unfolding as a new chapter in a story full of greed, corruption, and vast indifference to the well-being of professional boxers.

Today's hearing on the involvement of organized crime in professional boxing will present some truly startling and disturbing testimony. Without question, organized crime continues to play a substantial role in boxing in America, and their corrupting influence is a compelling reason why reform of the boxing industry at the Federal level is so necessary.

Organized crime has muscled and threatened its way into professional boxing since the first gate proceeds ever changed hands. I find it perplexing that in the face of so much personal testimony and case studies on the mob's connections to various fighters, managers, and promoters, there hasn't been greater support for stronger regulations to protect boxers and eliminate the criminal element from the sport.

We have a chance to achieve this worthy goal this year. For anyone who may wonder why a Federal entity should be created to oversee the boxing industry, they need only to listen to the testimony that will shortly be presented.

For example:

—The underboss of the Gambino crime family will state that in addition to controlling the construction industry in New York, the family was involved in professional boxing. Mr. Gravano discussed a \$10,000 bribe with a referee to move a fighter up in the rankings of the WBC. This convenient step would have assured a big payday in the future after fixing the outcome of a fight.

—Mr. Gravano will also testify that a former European and WBO champ was affiliated with an organized crime family in Italy, and that a recent WBC title-holder here in the United States is managed by a Gambino family associate.

—Investigators of this Subcommittee will declare that 30 years after the ground-breaking Kefauver hearings, boxing is still overly corrupt and that "... the States are unable to adequately regulate the business and the sport of boxing." It is inarguable, Mr. Chairman, that the industry has failed to properly regulate itself, and that a patchwork of State commissions has proved insufficient to the task.

We are unfortunately witnessing the continuing degradation of what in essence is a sport that is a supreme test of a man's strength and courage. I hope that all members of the House and Senate, in addition to all the people across America who love boxing, will heed Mr. Gravano's closing statement that "... organized crime is more and more interested" in getting heavily involved in the boxing industry.

This corrosive undermining of what should be a proud and exhilarating sport has gone on far too long, Mr. Chairman. Professional boxing should be respected for challenging a man's athletic power, skills, and endurance—not a seedy arena for the manipulators who seek glory and fortune by exploiting the toil and sweat of others.

I look forward to our witnesses, and I again want to convey my deep personal interest and considerable concern about boxing in America. I will do everything I can as a Senator to see that we protect the health and welfare of fighters in the ring, and that we bring its shadowy financial and advisory arrangement into the light of responsible public oversight.

PREPARED STATEMENT OF SENATOR DORGAN

Mr. Chairman, before I begin I want to thank you for all the time, energy, and expertise that you have dedicated to this important topic.

At this very moment, thousands of young boxers in this country are vying to participate in a sport that is unregulated, unsafe, and too often corrupt. As a member of the U.S. House of Representatives, I worked for several years to pass legislation that would make the sport of boxing more safe, more honest and, I believe, more exciting. I am pleased now to work with Senator Roth, Congressman Richardson, and others in drafting a new regulatory proposal that we hope to pass and have signed into law this session.

By this legislation, which would create a Federal Boxing Commission, we hope to attack the very root of the problems in the boxing industry. The domination of a very few individuals over the entire sport has prevented boxing from developing safety and ethical standards to protect the thousands of young boxers struggling to make a name for themselves.

While we hold this hearing, a boxer named Sergei Artemiev remains in critical condition in a hospital after collapsing in the 10th round of a March 21st USBA lightweight title fight in Atlantic City. Earlier this week, Sergei underwent surgery for a blood clot on the brain. Thankfully, he now reacts to the voice of his wife and, mercifully, he is still alive. But it is still not known whether he suffered any brain damage or how much rehabilitation he will need.

At the same time, a New York grand jury is hearing evidence regarding alleged criminal wrongdoing by boxing promoter Don King. These two events tell me that something is drastically wrong with the sport of boxing, and we—all of us who enjoy the sport—have to stop looking the other way.

This year, we have yet another opportunity to force the boxing industry to clean house. Do I think that if Federal boxing legislation was in place before Sergei's fight that he wouldn't have received so many blows to the head and collapsed during his bout? No, I have neither the medical expertise nor the hindsight to say such a thing. However, I do know that it is just plain common sense not to let two boxers get into a ring and start fighting without any kind of consistent rules or regulation. I also know that boxing leaders are not capable of cleaning up the industry by themselves.

In testimony about corruption in boxing last year, an FBI agent told this Subcommittee of his experiences as an undercover agent helping to arrange a fight at Madison Square Garden. Neither boxer scheduled to fight was licensed in New York.

Both fighters were managed by Don King's stepson, Carl King, and the fight was promoted by Don King himself. So the terms of the fight, including compensation for the fighters, were determined by two self-interested parties who had absolute control over the fight.

This represents to me the crux of the problem in this industry. The industry is dominated by a few interests and a few personalities who are not concerned about the safety or well-being of boxers. And it's not the superstars who bear the brunt of this problem—it's the thousands of young boxers struggling to build a name and a record who are abused and exploited.

So I think the Chairman for his interest in the commitment to this issue, and I look forward to continuing to work with Senator Roth and others to find a solution to these problems.

Chairman NUNN. Before we bring in the first witness, let me get a couple of things clear. The Capitol Police will ensure that, because of very high security concern during this particular witness' testimony, no spectators will be permitted to stand anywhere in the hearing room. Spectators will be confined to the available seats in the audience. No spectators will be permitted to enter or leave the hearing room during the witness' testimony, and that includes cameras and equipment. Also, no still photographers will be permitted in the well in front of the witness table during the testimony of the witness.

We appreciate everyone's understanding and cooperation in that regard. These are security measures that are essential, based on the best information we have.

When everything has been secured, and I'll leave that up to our law enforcement people here, then they can bring the witness in.

[Pause.]

Senator ROTH. Mr. Gravano, if you would remain standing, please.

Our first witness is Salvatore Gravano. Mr. Gravano is currently in Federal custody and cooperating with the Government while awaiting sentencing. Mr. Gravano has testified as a Government witness in several major trials and will be testifying in additional upcoming cases.

Given the sensitive nature of Mr. Gravano's position as a cooperating witness, we have agreed to limit his testimony to matters relating to professional boxing. We appreciate the cooperation of all Subcommittee members in abiding by this understanding.

Chairman NUNN. Mr. Gravano, we swear in all the witnesses before this Subcommittee, so if you will hold up your right hand, I'll give you the oath. Do you swear the testimony you give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GRAVANO. I do.

Chairman NUNN. Thank you. You may be seated.

Mr. Gravano, do you have an attorney with you today?

Mr. GLEESON. Mr. Chairman, my name is John Gleeson, and I am an Assistant United States Attorney in Brooklyn, New York, chief of the Organized Crime Section, and I am supervising the criminal investigations in which Mr. Gravano is participating. I have worked with the staff of the Subcommittee in facilitating his appearance here today. He is represented by counsel; obviously, it is not me.

Chairman NUNN. Thank you. We appreciate your cooperation.

Senator Roth.

Senator ROTH. Mr. Gravano, would you please proceed with your testimony?

**TESTIMONY OF SALVATORE "SAMMY THE BULL" GRAVANO,¹
FORMER UNDERBOSS, GAMBINO ORGANIZED CRIME FAMILY;
ACCOMPANIED BY JOHN GLEESON, ASSISTANT UNITED STATES
ATTORNEY, BROOKLYN, NEW YORK**

Mr. GRAVANO. Good afternoon, Mr. Chairman.

Chairman NUNN. Mr. Gravano, if you'll pull that microphone right up and talk directly into it. Take your time, and just talk right into the mike.

Mr. GRAVANO. Good afternoon, Mr. Chairman and members of the Subcommittee. My name is Salvatore Gravano. Early in my life, I was given the nickname, "Sammy the Bull."

I have been in jail since December of 1990, when I was arrested with John Gotti. I was his underboss and second-in-command of the Gambino family.

I have been involved with organized crime since 1968, when I became associated with a guy named Shorty Spero of the Colombo family. I committed many types of crimes when I was with Shorty, including my first murder. In 1972, I was officially released from the Colombo family to the Gambino family. I became a "made" member of the Gambino family in 1976. At that time, Paul Castellano was the boss of the Gambino family.

In December of 1985, John Gotti and I, along with some others, murdered Paul Castellano. We then took over the family. John Gotti became the boss. A couple of weeks later, I became a captain. In 1987, I became acting consigliere of our family. I later became the official consigliere. Then, in January of 1990, I accepted the position of official underboss, which I held until I began to cooperate with the Government in 1991.

I decided to cooperate before we—meaning me, John Gotti, and our acting consigliere, Frank Locascio—went to trial. I testified at that trial and some others. I will be testifying at more trials in the near future.

As part of my deal with the Government, I pleaded guilty to a charge that has a 20-year maximum sentence rather than the life sentence that I was facing if convicted at trial. As part of my cooperation, I told the Government about my life of crime, including the fact that I participated in 19 murders.

As a member of our family's administration, I helped John Gotti run the family. My primary responsibility was controlling the construction industry in New York. I did this by working with union officials and companies that were owned or controlled by our family, and by dealing with other families which also controlled certain unions and companies.

I have been asked to testify here today about the mob's involvement in professional boxing. I don't know much about what other families have been doing in boxing, but I do know about our family.

¹ The prepared statement of Mr. Gravano appears on page 156.

The Gambino family had basically gotten out of boxing sometime around or before 1960. We were involved in other things that made more money. But I have always had an interest in boxing. I boxed a little when I was in the Army, and I picked it up again a few years before I was arrested. I would go to Gleason's Gym in Brooklyn every week and work out. Sometimes, I would go a few rounds with other people who trained there. I often attended fights in New York and New Jersey, including the Mike Tyson-Larry Holmes fight in 1988 in Atlantic City, which I attended with John Gotti.

I got to know a heavyweight named Renaldo Snipes and his manager, who I knew as Sal. I tried to set up a fight between Snipes and Francesco Damiani, who was the undefeated European and WBO heavyweight champ. Damiani was with an organized crime family in Italy. Since our family had close ties with the Italian family, I was able to set up a meeting with Damiani's people. They came to New York, and we discussed the possibility of a fight with Snipes. At that time, Damiani was already scheduled to fight Ray Mercer.

One of the things I did to try to arrange a Damiani-Snipes fight was to reach out to set up a meeting with the guy who was in charge of boxing for Donald Trump. I believe his name was Mark Etess. Snipes, his manager Sal, and I met with this Mark in Atlantic City. He told us that a fight between Damiani and Snipes would sell. Mark thought it would be even bigger if Snipes had a high ranking with one of boxing's sanctioning bodies.

Joe Watts, who is an associate in our family, told me that he had someone in Las Vegas who could help us get a ranking for Snipes. Watts arranged a meeting for me with Joey Curtis, a boxing referee in Las Vegas. Joey Curtis had once visited our club, the Ravenite Social Club, in New York City.

So I went to Las Vegas with two of my friends and our wives. After we had dinner with Curtis, I took him aside and asked him if he could get Snipes moved up in the rankings. Curtis said he could move Snipes up in the rankings of the World Boxing Council, which is based in Mexico. Curtis said that this would cost \$10,000, but because it was a favor for John Gotti, he might be able to get it done for about \$5,000.

My idea all along was to use the Damiani-Snipes fight as a set-up fight to get Damiani a big payday against Mike Tyson. My plan was for Snipes to have a high ranking and then make it look good, but lose to Damiani. I never discussed this with Snipes, because Damiani lost to Mercer, which put Damiani out of the picture for a major fight. I am sure that we would have had no problem in convincing Snipes to lose.

Another boxer our family has an interest in is Buddy McGirt, who recently lost the WBC welterweight title. His manager is Al Certo, who is a Gambino family associate. Al Certo is with "JoJo" Corozzo, who is a "made" member of our family.

I know Al Certo is with our family because JoJo put it on record with his captain, Peter Gotti. Also, a beef came up between our family and the Bufalino family about who McGirt was with. Eddie Sciandra, the consigliere of the Bufalino family, complained to John Gotti that the Bufalinos had a piece of McGirt. Gotti told me to arrange a meeting with Sciandra and JoJo to resolve the beef. I

actually had several meetings with JoJo and Sciandra about this. JoJo said that he had paid Sciandra some money to walk away from McGirt, but now Sciandra wanted back in because McGirt had done well and was getting bigger purses. After hearing both of them, I recommended to John Gotti that JoJo was right, and that McGirt should stay with JoJo and our family.

Eddie Sciandra was not satisfied with my decision and kept coming back for more meetings. I got tired of meeting with Sciandra about this, but out of respect for his position and age, we had Frank Locascio, who was part of our administration, continue to talk to him. But our position never changed. Certo and McGirt stayed with our family.

I should point out that the person who was with us was really Al Certo. His relationship with JoJo Corozzo is how we had a piece of McGirt. McGirt is a fighter, and although Certo brought him by the club once to introduce him to some people, it really wouldn't be fair for me to say that he is an associate of organized crime. But Certo was with us, and that gave us our interest in McGirt.

Our family was not the only family involved in boxing. Although I do not know the details, I know that several other families are involved in boxing in some way. But you should know that our involvement in boxing has changed from the way it used to be. A lot of people think that organized crime makes money by fixing fights and betting on the winner. That really doesn't happen anymore. The purses have gotten so big that it doesn't make sense to fix a fight in order to collect a bet. While we would consider fixing a fight in order to set up for a big payday fight—like I had in mind for Damiani—the money is in the purses, not in betting. Besides, boxing is a risky business for bookmakers—you couldn't bet big money on a fight even if you wanted to.

So the interest today is in getting a piece of a successful boxer. Until a boxer reaches a certain level, there is not much money to be made because the purses are small. But once a boxer becomes successful, the family that has him can profit from that success. Now, because the size of the purses have gotten so big over the past 20 years, organized crime is more and more interested in getting back into it.

I will be happy to answer any questions that you might have about organized crime and boxing.

Chairman NUNN. Thank you, Mr. Gravano. I'll ask you just a few questions and then turn to Senator Roth and my colleagues.

You state here that, quote, "you couldn't bet big money on a fight even if you wanted to." What do you call "big money"?

Mr. GRAVANO. I would imagine anywhere from \$40,000 to \$50,000 and up.

Chairman NUNN. You can't place bets any larger than \$30,000 or \$40,000 on a fight today, then?

Mr. GRAVANO. Not with bookmakers in the street, no; they probably wouldn't take that kind of action.

Chairman NUNN. And has that changed over the years? Could you bet big money in the past and can't now?

Mr. GRAVANO. Yes. Years ago, the purses were rather small, and they would filter out the betting, and they were more likely to get the betting years ago than they are today.

Chairman NUNN. Why is it that bookmakers won't take big bets on fights today? Do they worry about the fights being fixed, or what are they worrying about?

Mr. GRAVANO. I would imagine they worry about fights being one-sided. I don't know as far as being fixed, but some of the fights are total mismatches, and they really wouldn't want to get involved in the action of it.

Chairman NUNN. And there is no way to establish odds, is that right, when you've got a mismatch?

Mr. GRAVANO. Well, they do, but they won't take big money. They will take small money, \$1,000, \$2,000, maybe \$5,000, maybe even \$10,000 if you find a fairly large bookmaking operation. But I really don't believe that they would go overboard with bets on—

Chairman NUNN. When did that change—what time period—and what caused it to change? There have always been one-sided fights, have there not?

Mr. GRAVANO. But I would imagine that when organized crime walked away from the boxing industry, I believe our betting slowed down. I believe the whole thing stopped in that area.

Chairman NUNN. When did organized crime walk away from the boxing industry?

Mr. GRAVANO. In the time when Rocky Marciano and people like that were involved, our people—meaning mob people—were involved, and we had closer ties to boxing, and I would imagine there was a lot more betting and a lot more situations.

Bookmaking and bookmakers I think became a little more sophisticated. There are even some tracks, horse betting races, and some tracks that they would stay away from and they wouldn't take action on. There were also some games that they wouldn't take action on. They might take action on if you wanted to call a knockout, which round, or something like that, which would make the bet very, very hard and complicated.

Chairman NUNN. And what were the ventures that were so profitable that organized crime basically decided to walk away from boxing after the Marciano era? What things shifted in organized crime then? Was that when organized crime started getting into narcotics? What were the things that were so lucrative that organized crime lost interest in boxing?

Mr. GRAVANO. I believe at that time, organized crime became more sophisticated. We got into unions, construction, shipping, garment, garbage, and they became a lot more lucrative than the boxing industry. Purses were very, very small.

Chairman NUNN. Would that have been in the 1950 time frame, 1950's, 1960's?

Mr. GRAVANO. Fifties, sixties, yes. That's why I said in the sixties and before.

Chairman NUNN. When did organized crime get back into boxing?

Mr. GRAVANO. Well, over a period of time recently, we have had an interest. Again, talking about my own family, going down to Gleason's Gym, I met some fighters and tried to put something together. I had conversation with John Gotti and myself, and John had urged me to see if we could reach out and put together some

possible gyms or promoters or fights and see if we could get back involved in the boxing industry.

In that period, I found out that we would be able to reach certain people who are rather successful in the boxing industry, and I felt that given enough time, we would be able to go back into it.

Chairman NUNN. And during what time frame was that when you had these discussions with John Gotti?

Mr. GRAVANO. This was a while, maybe a year, maybe a little bit more, before I was arrested and stopped—maybe even a little bit before that.

Chairman NUNN. So it has been in the last 5 years, then?

Mr. GRAVANO. Yes.

Chairman NUNN. What kind of payoff did you expect and anticipate from getting back involved? You were going to get a certain percentage of the purses; is that how you were going to get paid?

Mr. GRAVANO. Well, there's a lot of different benefits from it. At one point, I myself negotiated to buy Gleason's Gym in Brooklyn, because it had a name and a reputation. We would probably start off with getting a gym; we would have some trainers, like an Al Certo bring McGirt or other people, to train there. If the purses became very big and lucrative, like when you get into the bracket of half a million and better, we would be able to chew up some of the money within the gym through training expenses, not only just a direct kickback, but through training expenses, by putting people to work at that particular point in his corner, for promotional—for many, many reasons. And then, we also felt that some of the fighters would have been good, aside from just the money, when some of our people were in trouble and had trials, that we would be able to bring some of them down at the trial to lend support to the people who were on trial so that some of the juries would be impressed by people who were there and maybe sway some of the juries.

There were a lot of different reasons why we thought it would be good—contacts, connections with Trump, Steve Wynn, or anybody in that capacity. Our eyes wouldn't stop strictly at boxing once we got into the circle.

Chairman NUNN. So you wanted to use this for a broader and more pervasive influence, then?

Mr. GRAVANO. Well, we wouldn't stop strictly at boxing. If I was able to start it, we would probably put a captain in our family in charge of that boxing industry, and once we had a foothold in it, yes, we would have branched off in as many areas as we could have.

Chairman NUNN. I understand that both Buddy McGirt and Snipes attended parts of John Gotti's trial. Do you know whether they were asked to do so, and if so, who would have asked them?

Mr. GRAVANO. Well, again, in McGirt's case, it would have been Al Certo; it would have been John Gotti, to reach JoJo Corozzo, who would have asked Al Certo to bring McGirt down to the trial, that it would look good.

As far as Renaldo Snipes, he was close to me; I don't really know who asked him at that particular point.

Chairman NUNN. Thank you very much.

Senator Roth.

Senator ROTH. In answer to a question of the Chairman, you stated that there were certain people in boxing who you thought you could reach, and that's one of the reasons why you went back into boxing. Who were those people that you thought you could reach?

Mr. GRAVANO. Well, in some of our conversations, when we tried to set up the fight with Renaldo Snipes and Damiani, to reach Donald Trump, we reached an entertainer whose name is Jimmy Rozelli, and Jimmy Rozelli has a brother-in-law who is a heavy-weight gambler and gambles in Atlantic City, and we used that resource to get to Donald Trump. We know that Lou Duva was close to people in the Genovese family—I really don't know if he is with these people, but we do know that he has relationships with some of those people, and we would be able to reach him. Marvin Hagler was very, very close with the Petrocelli brothers—we believed that one of them might even be a "made" member of one of the New England families—but they were his trainers, and we would be able to reach them.

At one point, we reached out for Don King, who gave us a message back that he had problems with the Government and problems with taxes, and he didn't think it was the right time to meet. And we reached Raymond Patriarca, from a New England family, who would reach a Cleveland family. They had access to Don King, it seemed like, some control over Don King, and they would explain to him at the next request to meet him, for John Gotti and myself, that it would be in his best interest that he would meet with us.

We knew that Nicki Scarfo had some interest in some fighters, and other families around the country. There is a guy named Andrew Russo, who is a captain in the Colombo family, who has some sort of tie to Vito Antuofermo.

So knowing this base knowledge, we felt that if we went back in, some of these places, there are areas that we could have gotten into. When I met with Joey Curtis in Las Vegas, he told me that he knew Steve Wynn personally, and he asked me if the Renaldo Snipes-Damiani fight would come off; maybe we could even talk with Steve Wynn.

So I did realize that we were able to reach different areas and different people.

Senator ROTH. You have used the terms, "with," "reach," "made." Can you explain exactly what you mean by those terms? When you testify about being "with" a particular organized crime family, what does that mean, generally and specifically? Let me ask you that first.

Mr. GRAVANO. Well, when you are "with" an organized crime family or a "made" member in a family, the "made" member goes to his captain and puts you on record that you are "with" him and our family. His benefits—whatever connections, like I have just mentioned, we have, he can have. If any other family within the country, or out of the country for that matter, would ever try and move in on him, muscle in on him, it couldn't happen. He was already on record as being "with" us. And he would be under our protection, our umbrella, so to speak.

Senator ROTH. But he wouldn't be "made"?

Mr. GRAVANO. No. A "made" member is another stage when a man, after a period of years, is with somebody and is brought into a meeting and is given the oath and becomes a "made" member.

Senator ROTH. He is a full member, in other words.

Mr. GRAVANO. He is a blood member.

Senator ROTH. A blood member.

Mr. GRAVANO. Yes.

Senator ROTH. And what do you mean by the word, "reach"?

Mr. GRAVANO. Well, if we don't know Donald Trump himself, we have ways to reach him. It's just a term I'm using. In other words, we would use Jimmy Roselli or Jimmy Roselli's brother-in-law, or Bobby Sasso, who controls 282 union in New York. Donald Trump obviously does a lot of construction, and if Bobby Sasso, the president of 282, the Teamsters, who was with our family, would reach Donald Trump and tell him that we were interested in a meeting with him—when I say "we," I don't mean me or John Gotti—I don't know if Trump would meet us—but it would open the door for a meeting with Snipes' manager or Damiani's manager or whomever we put in front of this thing to make it look legitimate. After a while, myself and John Gotti and people like us would probably take a back seat to somebody who is a little bit cleaner.

Senator ROTH. Now, you said you know that McGirt is with the Gambino family because Corozzo put it on the record with Peter Gotti. What does it mean to put something "on record"?

Mr. GRAVANO. Well, when a man is a "made" member, he goes to his captain, which is his supervisor right above him, he goes to him and puts it on record with him on what he is doing, what businesses he has, who he has with him. This goes on record with his captain. His captain will bring it up to the administration. So ultimately, the boss has a good idea what the family has in many different industries, what contacts who has within the family. So that if I wanted to get into boxing or if we wanted to get into boxing, we would know immediately that we can call for Pete Gotti to send for JoJo; we know we would be able to get Al Certo and Buddy McGirt through that avenue.

If a different captain—let's assume; I'm just using this as an example—was close with Lou Duva, we would reach that captain to reach Lou Duva. But ultimately, the boss and the administration would know who has what; it's just a matter of putting it—that's what we mean by putting it on record.

Senator ROTH. You mentioned Peter Gotti. Who is he?

Mr. GRAVANO. Peter Gotti is John Gotti's brother, but more importantly, he is a captain within our family.

Senator ROTH. Now, is it possible that Buddy McGirt did not know that part of his earnings were going to organized crime?

Mr. GRAVANO. It is very possible, Senator.

Senator ROTH. Very possible.

Mr. GRAVANO. Yes.

Senator ROTH. You testified that several meetings were held to settle a dispute between the Gambino and Bufalino families concerning who owned parts of boxer Buddy McGirt's contract. I'd like you to watch an FBI surveillance videotape from November 15, 1989 and identify, if you can, the three individuals shown on this tape. You'll have to look at this screen here.

[Videotape shown.¹]

Mr. GRAVANO. Do you want me to answer, Senator, who's who? Senator ROTH. Yes, if you would, please.

Mr. GRAVANO. The one in the middle, I believe, could be Eddie Sciandra. The one on the right is me, and the one on the left is JoJo Corozzo.

Senator ROTH. Now, these are the individuals who were involved in the dispute concerning who owned part of McGirt's contract; is that correct?

Mr. GRAVANO. Yes, sir.

Senator ROTH. Do you recognize the location shown by this videotape?

Mr. GRAVANO. That's Mulberry Street in Manhattan. It is the Ravenite Club, which is the headquarters for the Gambino family, one of the headquarters for the Gambino family.

Senator ROTH. Why were you out walking, rather than inside of the club, discussing the matter?

Mr. GRAVANO. Because we believed that the FBI had electronic surveillance in a lot of different areas, so when we talked, we usually took what we called a "walk talk," where we didn't believe it would be picked up by electronic surveillance—or cameras, for that matter.

Senator ROTH. Was this one of the meetings concerning which organized crime family owned a piece of McGirt's contract?

Mr. GRAVANO. Yes, it was.

Senator ROTH. How do you know that this particular videotape depicts one of the McGirt meetings?

Mr. GRAVANO. I have never met with Eddie Sciandra about anything other than McGirt before or after.

Senator ROTH. So that was the only meeting you had with Sciandra?

Mr. GRAVANO. The only meetings I had with him pertained to Al Certo and McGirt.

Senator ROTH. Did John Gotti tell you why he decided that McGirt belonged to the Gambino organized crime family?

Mr. GRAVANO. He believed he belonged to our family on my decision by overhearing JoJo Corozzo and Eddie Sciandra, hearing the story, I advised him that he belonged with our family, and that's how he based his decision.

Senator ROTH. In other words, John told you that JoJo paid Eddie to walk away from McGirt?

Mr. GRAVANO. No. In meeting, JoJo Corozzo had told me that he had paid—at one time earlier, Eddie Sciandra was involved with Buddy McGirt, they both were involved—and at one point, they weren't getting along, and JoJo Corozzo paid I believe it was \$5,000 for Eddie Sciandra to walk away. They weren't getting along, and Eddie Sciandra seemed to be happy to take the \$5,000 and walk away.

A time after that, he seemed to be doing very, very well in boxing, his status was building, the purses were building, and he

¹ The videotape referred to was marked Exhibit No. 7 and can be found in the files of the Subcommittee. Still photographs, from videotape, of Salvatore Gravano, Edward Sciandra and Joseph Corozzo were marked Exhibit No. 8 and can be found on page 167.

seemed to come back into play and wanted to be involved. He admitted that he did take money, but he said that he took the money from old moneys that were due. JoJo showed the purses that he fought for, and there really, really was no money involved, and there is no way he could have paid \$5,000 or better for backup money which came to hundreds. And I believed JoJo was telling the truth, and this is what I told John.

Senator ROTH. You stated in your opening testimony that you were released by the Colombo family to the Gambino family. What did you mean by that?

Mr. GRAVANO. Well, in that time, I wasn't a "made" member. I was on record. I was on record; I was an associate of the Colombo family. I wasn't a "made" member. And I was put on record with their family. Once you are on record, you belong to that family, and it takes an official release from that family for you to leave.

Senator ROTH. Thank you. My time is up.

Chairman NUNN. Senator McCain.

Senator McCAIN. Thank you, Mr. Chairman.

Thank you, Mr. Gravano, for your testimony. It is very interesting.

In part of your testimony, you talked about a referee named Joey Curtis who could move Snipes up in the World Boxing Council rankings.

Mr. GRAVANO. Yes, sir.

Senator McCAIN. And that's the outfit that is headed by Mr. Jose Sulaiman, I believe?

Mr. GRAVANO. I really don't know who heads that organization.

Senator McCAIN. You are a fight fan, though, aren't you?

Mr. GRAVANO. Yes, I am.

Senator McCAIN. And have you noticed in the past on other occasions that someone is moved up in the WBC rankings in time for a fight, and then that person disappears or drops way down again; have you seen that happen before?

Mr. GRAVANO. Well, it's common knowledge. I'm not surprised by it. I don't really follow that part of it, but it is basically common knowledge that it can be done. I wasn't sure at that point which sanctioning body did it, because I really wasn't involved. Joey Curtis made me aware of this sanctioning body. I don't really know if any other sanctioning body does it or not.

Senator McCAIN. But it was common knowledge that it could be done?

Mr. GRAVANO. Yes; it's not something that is a major secret.

Senator McCAIN. You mentioned two names, Vito Antuofermo and Marvin Hagler, as both having mob ties, or perhaps their people having some connection; is that correct?

Mr. GRAVANO. Yes.

Senator McCAIN. And they both fought a couple of fights; that might have been interesting. Could I ask you a couple of other names—Emanuel Steward, any connection there?

Mr. GRAVANO. I know the name, but I don't know of any connection with him.

Senator McCAIN. Mr. Duva?

Mr. GRAVANO. Mr. Lou Duva, I understood to be with or close with, anyway, people in the Genovese family. If we were going to

go back into boxing, we would be able to reach people in the Genovese family; we would probably reach their boss, who was Chin, and find out what could be done. But we never got to that point.

Senator McCAIN. And Mr. Don King, you mentioned earlier had been approached but had been negative in response. You have no other information about his connections?

Mr. GRAVANO. I know earlier on, a lot of years ago—this is before John Gotti and myself took over the family—that Don King had reached out for Paul Castellano, and Paul Castellano didn't want to meet with him, for whatever reason. So I knew he was around, I knew he had some ties, and when we were considering Snipes and Damiani, we were considering a possible conversation with him for promotional reasons, for obvious reasons—I mean, he literally just about controls a good part of boxing.

Senator McCAIN. Which brings me to—the connection with either Mr. Wynn or Mr. Trump, you know of no direct connection except that they have to do business with these individuals who control the majority of the best fighters; is that right?

Mr. GRAVANO. Right. They have done nothing wrong as far as I know, and they are not with anybody as far as I know. They are just in that business, and they would have to deal with people. We would have to reach the people that they would have to deal with in order to talk with them.

Senator McCAIN. Good. I think it is important to make it clear, Mr. Chairman, about some of these individuals. We don't want to tar people with a brush here.

You said in your statement that in the case of the Renaldo Snipes-Damiani fight, you said, "I'm sure that we would have had no problem in convincing Snipes to lose." Why do you make that statement, Mr. Gravano?

Mr. GRAVANO. I myself was very close with Snipes, and he was broke at that particular point, and if we were able to set up a big payday fight, I would have told him that there was "x" amount of dollars in the purse; I probably would have approached him with some cash under the table. He was shunned by Don King. He was on the outskirts. He couldn't get any more fights. He was just about over the hill at 30 some-odd years old. And I believe I had enough of a relationship with him to convince him that respect. And if he would have agreed, I'm sure he would have lived up to it.

Senator McCAIN. At the end of your statement you say, "Now, because the size of the purses has gotten so big over the past 20 years, organized crime is more and more interested in getting back into it." Do you have any specifics of that interest?

Mr. GRAVANO. Well, for a long time, it wasn't even talked about, and through the years it was becoming more and more talked about, again, with Lou Duva and names like that within the industry, it popped up.

I wasn't really in the boxing industry. It was more of a hobby to me, and I heard it on the outskirts. My expertise in the Gambino family was in construction, and I dealt with that. But as the purses got bigger and bigger, not only did John Gotti and myself start to look at it, but I'm sure in conversations that I have had with people, more and more people were looking at it.

Senator McCAIN. At these big fights, you'd have the opportunity to see many friends and adversaries?

Mr. GRAVANO. Yes.

Senator McCAIN. Thank you, Mr. Chairman.

Thank you, Mr. Gravano.

Chairman NUNN. Thank you, Senator McCain.

Senator Cohen.

Senator COHEN. Just a couple of follow-up questions. With respect to Mr. Snipes, you have indicated that you were sure that had Snipes given his word, he would have lived up to it. Is that right?

Mr. GRAVANO. Yes.

Senator COHEN. What deterrent do you have if they don't live up to it? Let's suppose he got in the ring, he felt pretty good, and suddenly, victory is a couple of punches away. Does he take a look out from the ring and see you out there or maybe John Gotti or somebody else, and take a fall, even though he smells victory and the other fighter may have unintentionally walked into a roundhouse punch? What deterrent exists, either expressly or implicitly, to make sure someone lives up to an agreement?

Mr. GRAVANO. I believe our whole background, John Gotti's and mine, our reputation of what we did and what happened. I believe if he would have knocked him out by accident, he would have picked him up. [Laughter.]

Senator COHEN. I tried not to make it appear that was a rhetorical question.

Is it clear in the boxing industry that the boxer—let me put it this way—have you ever heard of a boxer being threatened with injury because he was unwilling to give organized crime a cut of his winnings?

Mr. GRAVANO. I have never heard that personally. I know that's talked about not only in boxing, but in a lot of industries, and I don't find that that really happens all that much. I believe it is a 2-sided greed. Organized crime, from what I have seen, has a history of sharing. A lot of contractors—which I relate slightly to the construction industry—came to us for union favors and basically for greed, because they made more money by coming to us. It wasn't something that we had to force them over.

And along with this, I happened to like Renaldo Snipes and had a high respect for him as a fighter, and in a strange way, I think I would have been fair as far as giving him his last hurrah and some money, and it also would have met my purpose with Damiani to look so good and beat somebody as classy a fighter as I believed Snipes was.

Senator COHEN. You mentioned that McGirt may very well not know that he is associated with organized crime, even indirectly. Is that right?

Mr. GRAVANO. Yes.

Senator COHEN. That it's very possible. Is it well-known that Mr. Certo is associated with organized crime?

Mr. GRAVANO. Yes.

Senator COHEN. So you can have a fighter who has someone who is an advisor, manager, or promoter who is known to associate with organized crime, and you basically are being handled by that

person, and yet you would not know that any of your earnings are going through the money tree to the roots of organized crime?

Mr. GRAVANO. Sure, yes.

Senator COHEN. Tell me how that works. You indicated that McGirt went to the trial of John Gotti?

Mr. GRAVANO. Yes.

Senator COHEN. When someone goes to a trial of someone who is known to be a top person in an organized crime family, does that imply knowledge that one's earnings are in any way going in that direction? In other words, you've got a manager—

Mr. GRAVANO. No, but it's a tactic of ours, Senator—I'm sorry, did I interrupt you?

Senator COHEN. No, that's all right.

Mr. GRAVANO. It's a tactic of ours. I believe there was a "made" member, Johnny DiGilio, who was in the Genovese family, who was on trial, a Federal trial, I believe, in New Jersey, where Muhammad Ali and a few people came to the trial. And what I believe it does is that if you have black jurors, and you see a Sugar Ray Leonard or a Muhammad Ali or a Joe Frazier, you have a warm spot for these people, which is basically—

Senator COHEN. Right. I understand the tactic, but I was wondering about the fighter himself when Al Certo or somebody says, "We'd like to have you go to the trial of John Gotti."

Mr. GRAVANO. Well, I'm sure Al Certo knows the motive. I don't really know if Buddy McGirt understands or knows the motive. I say that because I'm not in those conversations. I don't know what Al Certo tells him. He could be conning him and saying, "You know, he thinks the world of you as a fighter. Why don't you come down and see him?" I don't know exactly what—

Senator COHEN. That's fair enough. I'm just trying to find out how the money flows. Perhaps you could trace for us what happens when a fighter earns the purse, and then the manager or promoter gets a piece of that. How does the money go through the family? Trace the money for us, if you would.

Mr. GRAVANO. Well, it would go through the trainer or manager, trainer-manager. He has a percentage of the fighter. He would get a percentage of that. One of the ways—there are a few ways—would be that when he gets his check and he cashes it, he sends his piece up, whatever his deal may be—20, 30, 40, or 50 percent, whether he is partners with John Gotti—whatever his specific deal is, he'll send his end of the cash up after taxes, because he obviously can't duck that.

But there are other ways where we could cheat or duck, if I could use those terms. We would set up a gym, and if we were talking about real big money, then we could talk padding training expenses, we could put people to work, we could go into promotional. We can go into a lot of areas to absorb part of that big purse; especially when you are talking about purses that go into the tens of millions of dollars, we would really be able to—I don't know the word—we would really be able to lunge into that.

Senator COHEN. What happens when a fighter finds out that in some way, his earnings are going into organized crime, and he wants to break away from that family? Does the family seek to prevent that from taking place?

Mr. GRAVANO. Well, traditionally, we have given people a hard time with that situation, Senator. We aren't too fond of them walking away from us.

Senator COHEN. I'm sorry?

Mr. GRAVANO. We aren't too fond of them walking away, and we would traditionally give them a hard time. I don't know how far—that would be up to each person and each particular crime family what they would do.

Senator COHEN. So, once organized crime has an interest in a fighter, even though that fighter may not know that he is owned or at least influenced by organized crime, he can't walk away?

Mr. GRAVANO. Well, I wouldn't say that. If his manager was with us, he couldn't walk away. If the fighter really knew nothing, I don't really know how we can go after him, except that he would lose his power base and connections, and we would try and cut him off that way. If he himself shook our hand and made a deal with us, it would be a lot harder for him to walk away.

Senator COHEN. So if he didn't know he was in any way associated, you might try to perhaps reduce his ratings or rankings?

Mr. GRAVANO. We would use whatever tactics we could use short of violence, because he really doesn't know what he is involved with. If he knew what he was involved with, we would use just about any tactic, including violence.

Senator COHEN. Last year, the Subcommittee had testimony alleging that Bob Lee, who was then the New Jersey Deputy Boxing Commissioner, had taken a bribe in order to expedite an application for a boxing promoter's license. Are you aware of any other instance in which there is corruption among the boxing commissions in New Jersey, New York, or anywhere in this country? You talked about the WBC operating out of Mexico and trying to influence the rankings there. What about here in the United States?

Mr. GRAVANO. No, I don't know any situations like that, Senator.

Senator COHEN. And one final question. If you were still a member of the Gambino family, could you tell us what action by Federal or State agencies it would take to convince you that it was time to move away from participating in boxing matches? In other words, is there anything that the Federal Government could do to discourage organized crime from its association with boxing?

Mr. GRAVANO. Make the purses very small. [Laughter.]

Senator COHEN. Make the purses small. No amount of Federal regulation per se is going to deter the influence as long as the money is there?

Mr. GRAVANO. I don't believe so, Senator, no.

Senator COHEN. Thank you.

That's all I have, Mr. Chairman. Thank you.

Chairman NUNN. Thank you, Senator Cohen.

Senator Roth, do you have any other questions?

Senator ROTH. Yes, I do have a few more.

Carrying on with the question of Mr. Cohen, have the State commissions been effective in regulating boxing insofar as the mob is concerned?

Mr. GRAVANO. I don't even think we know that they exist, to be honest with you; they aren't that effective, because they don't bother us, and they don't hinder us in any of our movements, and I

have never heard them involved in any of the conversations that we would have to do this, this, or this to go around them. So I really don't—I don't even know what they do, basically.

Senator ROTH. If the Federal Government by one means or another became involved in regulation of professional boxing, would that make a difference? Would the mob be more circumspect, more concerned about being involved in boxing?

Mr. GRAVANO. No.

Senator ROTH. It would make no difference at all?

Mr. GRAVANO. No.

Senator ROTH. You testified that Joey Curtis told you he could move up your boxer's ranking in the WBC for \$5,000 to \$10,000. Joey Curtis has categorically denied to staff that anything like that ever happened. Are you certain of your testimony?

Mr. GRAVANO. Senator, I can only say what I know. I can't really comment on what they say and what they don't say. I can only comment that what I say is the truth, and I only say exactly what I know.

Senator ROTH. And that was that Joey Curtis told you he could move up your boxer's ranking in the WBC for \$5,000 to \$10,000; is that correct?

Mr. GRAVANO. Yes.

Senator ROTH. Do you recall Joey Curtis visiting the Ravenite Social Club?

Mr. GRAVANO. Yes, I do.

Senator ROTH. Mr. Curtis admits visiting the social club, but says it is open to any member of the public. Is that correct?

Mr. GRAVANO. No. It's a private club. It's the Gambino headquarters. If you want me to explain it slightly, there is a brick wall with almost no windows, a steel door with, at any given time, 10, 15 guys standing outside, smoking some cigars and stuff. I don't really think that's a sign that we're open to the public. [Laughter.]

Senator ROTH. An attorney for Renaldo Snipes and his former manager, Sal Pascale, advised that they would invoke the Fifth Amendment if called to testify here today. They did admit in a staff interview that they attended a meeting with you in Atlantic City, in which a future boxing match was discussed, but they claimed the meeting was set up on the spur of the moment and not planned in advance. Is this true?

Mr. GRAVANO. I don't believe, Senator, that you can walk into Donald Trump's boxing staff unannounced and have a meeting that you were going to fight a championship fight. It would have to be something that was set up. I didn't know Mark Etess from a hole in the wall prior to that, and I don't see how that could be done. And I'm sure that Mark Etess—who I don't believe did anything wrong—knows of the meeting and knows it was set up. I mean, I just didn't walk in off the street.

Senator ROTH. Are other Gambino family members involved in boxing gyms?

Mr. GRAVANO. Excuse me, Senator?

Senator ROTH. Are other members of the Gambino family involved in boxing gyms? What about John Gotti, Jr.?

Mr. GRAVANO. Well, there's a gym that we're involved with that Tommy Gallagher has. He was a long-time friend of John Gotti. I

believe now he has a gym in Queens and is very, very close or with John, Jr. And I believe his gym is right next to or right around the Bergen Hunt and Fish Club in Queens. I believe he looked for some funding and some backing and found it.

Senator ROTH. My last question is this. Some people might ask what difference does it make if organized crime owns a piece of a boxer. But isn't it true that organized crime, even when involved in a legitimate business, tries to take advantage, cut corners? Does it make a difference if the mob owns a piece of a boxer?

Mr. GRAVANO. Well, again, we do have that habit of cheating a little bit. And if we have this, we use it as contacts in not only boxing, but a lot of other areas that we look at. We look past just strictly the boxing. Whether it be officials of State, or a person like Trump, the conversations might start to drift from boxing into construction, or whatever we felt we could do. If somebody went to John and said that he wanted to buy a condo in Trump Tower, and we were talking to him about boxing, I'm sure that a week later or a month later, the conversation would start to change into buying that condo or doing the sheetrock in one of the buildings that he's doing, or the plumbing or the electrical. This is what we have done in the past in a lot of industries fairly well. We walked away from the boxing, but again, as it started to build money-wise and power base-wise, we would get back into it for a host of different reasons.

Senator ROTH. Because of the big money now involved in professional boxing, should we expect more involvement on the part of organized crime in boxing?

Mr. GRAVANO. I believe so.

Senator ROTH. They'll go where the money is.

Mr. GRAVANO. Excuse me?

Senator ROTH. They'll go where the money is.

Mr. GRAVANO. Yes.

Senator ROTH. That's all the questions I have, Mr. Chairman.

Chairman NUNN. Mr. Gravano, one final question. I believe in your statement, or in answer to one of the earlier questions, you mentioned that there was someone in Cleveland who had access to Don King. Could you tell us who that was and what kind of access?

Mr. GRAVANO. I don't know who the specific person was. When I said that, I was referring to the Cleveland family. The Cleveland family has certain ties to Don King, and Raymond Patriarca, who is the boss in Providence, told us that he knew of this and he could reach the Cleveland people to tell them to have Don King meet us.

Chairman NUNN. Any other questions, Senator Roth, Senator Cohen, or Senator McCain?

Senator ROTH. No questions.

Senator COHEN. No questions, Mr. Chairman.

Senator MCCAIN. No, Mr. Chairman.

Chairman NUNN. OK. I think that's all, Mr. Gravano. We appreciate your cooperation with the Subcommittee. You have been very helpful.

Mr. GRAVANO. Thank you very much.

Chairman NUNN. Thank you.

We'll have security take Mr. Gravano out, and I'll ask everyone to remain seated until that occurs.

[Pause.]

Chairman NUNN. Our next witnesses today will be Staff Counsel Leighton Lord and Staff Counsel Steve Levin, of the Permanent Subcommittee on Investigations. They have conducted a very extensive investigation into professional boxing. This afternoon they will provide us with more of the results of that investigation.

I'll ask both of you to hold up your right hand before you take your seat and take the oath. Do you swear the testimony you will give before the Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LORD. I do.

Mr. LEVIN. I do.

Chairman NUNN. Thank you.

Senator ROTH. Please proceed.

TESTIMONY OF W. LEIGHTON LORD III, MINORITY STAFF COUNSEL; ACCOMPANIED BY STEPHEN LEVIN, MINORITY STAFF COUNSEL, PERMANENT SUBCOMMITTEE ON INVESTIGATIONS, COMMITTEE ON GOVERNMENTAL AFFAIRS, U.S. SENATE

Mr. LORD. Thank you, Senator.

When the Senate last looked into professional boxing over 30 years ago, it found a nationwide conspiracy between organized crime and members of the boxing industry to control the major boxing contracts in the United States.

Boxing greats such as Jake LaMotta testified that they were forced to cooperate with underworld figures to have the opportunity to compete for championship titles. The nature of organized crime involvement in the boxing industry has changed since the 1940's and 1950's. Rather than attempting to profit from complete control of boxing, as was the case 30 years ago, organized crime now attempts to profit by controlling individual boxers and managers or by exercising influence with regard to an individual promoter.

Today, members and associates of organized crime also participate in boxing as managers, advisors and investors. As a result, organized crime profits from and affects the sport of boxing.

The primary attraction for organized crime is, of course, the large sums of money that can be made. As Senator Roth stated, a boxer can make in one event what it took a boxer a lifetime to earn 30 years ago. In addition, the boxing industry is ideally suited for infiltration by organized crime because it is ineffectively regulated. State boxing regulators make almost no effort to exclude organized crime members and associates from participating in boxing, even where State regulations explicitly prohibit such involvement.

Our investigation has uncovered evidence that a number of organized crime figures are heavily involved with several well-known boxers. We do not, however, make the claim that all or even most boxers are connected with organized crime. Very little investigation has been done in this area by law enforcement entities.

We have, moreover, found no evidence to indicate that organized crime currently exerts the type of influence over the sport of boxing that it did in the 1940's and 1950's. We concentrated our investigation on three case studies involving the organized crime con-

nections of two former and one current world champion. Each of these boxers has denied that they are knowingly controlled or influenced by organized crime. It is unclear whether these boxers are unwitting dupes or willing participants with organized crime figures.

These three case studies illustrate three forms of organized crime involvement in boxing and also represent three examples of how the current regulatory structure has failed to keep organized crime out of the boxing industry.

On the far right of the chart,¹ we have the name of former IBF super middleweight champion Iran Barkley. Barkley has held the WBC middleweight title and has had a number of high-profile, big money fights. Barkley testified at a Subcommittee deposition that he currently does not have a manager of record, but that he does have several unlicensed advisors. One of these advisors is Lenny Minuto. Minuto is classified by several law enforcement agencies as an associate of the Luchese crime family. There is additional information that he has had past and possibly current affiliations with the Gambino and Genovese families.

Minuto is believed to be active in the Giampa crew of the Luchese family at this time. Minuto also has a criminal record, including 7 gambling convictions and one conviction for bribing a public official.

And I'd like to note, Senator, before going any further, that in listing any person on this chart as having organized crime connections, we have followed the past PSI practice of requiring corroborating information from at least two separate law enforcement agencies,² and in the case of Mr. Minuto, we also have an affirmation submitted by Mr. Alfonse D'Arco, the former underboss of the Luchese family, indicating Mr. Minuto's Luchese connections.

At this time, I would like to offer for introduction a copy of the D'Arco affirmation.³

Senator ROTH. It will be so admitted, unless there is some objection.

Mr. LORD. Barkley testified at deposition that Lenny Minuto assists him with contract negotiations and with personal investments. According to Barkley, Minuto receives 10 percent of Barkley's earnings, which would equal roughly \$100,000 for Barkley's most recent fight against James Toney.

We also have other evidence, however, indicating that Minuto received as much as \$225,000 from the Toney fight alone.

The Barkley and Minuto relationship is illustrative of how organized crime figures are involved in the boxing industry as paid, unlicensed advisors. The practice of calling oneself an "advisor" appears to be an attempt to avoid State licensure requirements despite the fact that so-called "advisors" often fit statutory definitions of managers. Most States have very broad definitions of a boxing manager. For example, in New Jersey, a "manager" is defined as "anyone who directly or indirectly directs or administers

¹ Exhibit No. 1 appears on page 163.

² Sealed Exhibit No. 2 is retained in the files of the Subcommittee.

³ Exhibit No. 31 appears on page 255.

the affairs of a boxer, or anyone who is entitled to 10 percent or more of a boxer's earnings."

One obvious reason that Lenny Minuto and others like him might wish to avoid licensure is the fear of being denied a license and thereby excluded from participating in boxing because of their criminal records or organized crime associations. That fear, however, is largely unfounded since State boxing regulators do not as a rule inquire into the criminal history or background of their licensure applicants.

The boxer represented in the middle of the chart is WBA cruiser-weight champion Bobby Czyz. Czyz has had a long career, with his most profitable fights taking place in the last few years. In 1981, Czyz' father sold the right to Czyz' future boxing earnings to Andrew Licari and Andrew Dembrowski. Under the agreement, Licari and Dembrowski were to receive a percentage of Czyz' future earnings in exchange for \$300,000. Initially, Licari and Dembrowski were to receive 26 percent of Czyz' earnings for 5 years and then 5 percent for an additional 5 years.

The agreement has, however, been modified twice so that Licari and Dembrowski could continue to receive 26 percent of Czyz' boxing earnings. Czyz testified at the Subcommittee's August hearing that he voluntarily extended the boxing agreement because Licari and Dembrowski had not gotten their investment back. The most recent agreement, which is oral, apparently remains in force today.

Licari is classified by several law enforcement entities as a Luchese soldier and has been alleged to be part of what was the Accetturo crew of the Luchese family. He is also identified as such in the previously mentioned affirmation of former Luchese acting boss Alfonse D'Arco. Dembrowski is classified as a Luchese associate.

At a Subcommittee deposition, Licari denied membership in or involvement with organized crime. Licari did, however, acknowledge personal contact with the alleged members of the Accetturo crew.

Licari and Dembrowski are not licensed to participate in boxing. State boxing regulations generally do not require that passive investors such as Licari and Dembrowski be licensed to participate in boxing, or that investments such as the one held by Licari and Dembrowski be recorded or disclosed.

The boxer on the far left of the chart is James "Buddy" McGirt. McGirt has held two world titles and was recently paid a purse of \$1 million in his unsuccessful defense of his WBC title. McGirt's relationship with organized crime exists on two levels. The first level is McGirt's management team of Al Certo and Stuart Weiner. Law enforcement has long considered Certo an associate of the Genovese and Gambino crime families.

Senator COHEN. Mr. Lord, could I interrupt you? We've got a vote coming up, and I just want to clarify for my own purposes that when you put a chart up there like that, you are not suggesting that any of the fighters involved know that they are involved in any way with organized crime. Is that correct?

Mr. LORD. That's right, Senator. We don't take a position on that whatsoever because we have no evidence of that.

Senator COHEN. All right. And with respect to the second line of individuals, are you making allegations about any of the individuals involved there, that they are actively involved?

Mr. LORD. Yes, Senator. We have information from at least two law enforcement agencies, as we require under our internal rules, that they do in fact have organized crime connections.

Senator ROTH [presiding]. I thought I would run and vote if you could stay, so we can keep it going.

Senator COHEN. Fine. Go ahead.

Mr. LORD. McGirt's relationship with organized crime exists on two levels. The first level is McGirt's management team of Al Certo and Stuart Weiner. Law enforcement has long considered Certo an associate of the Genovese and Gambino crime families. Weiner is an associate of the Gambino family and has been recently named in an indictment handed down by the Manhattan District Attorney's Office as a member of the JoJo Corozzo crew of the Gambino family.

Certo and Weiner each receive at least the 33⅓ percent managers' cut of McGirt's boxing earnings. Certo and Weiner share various management responsibilities, yet only Certo is licensed as a manager at this time. Weiner has not been licensed to participate in boxing since 1991 when he was licensed as a second in Nevada.

Although Weiner has avoided licensure, his relationship with McGirt is not secret. Both McGirt and Certo at Subcommittee depositions acknowledge that Weiner serves as a co-manager to McGirt. In addition, Weiner has also received payments due McGirt directly from McGirt's promoter, Madison Square Garden. Weiner also has check writing authority on the account of Alfred Certissimo, Inc., the company that receives all of McGirt's boxing earnings.

Weiner is clearly acting as an unlicensed co-manager in violation of several different State regulations.

The second level of McGirt's involvement with organized crime is the secret ownership by Gambino soldier Joseph "JoJo" Corozzo of some percentage of McGirt's earnings. Corozzo's ownership of McGirt was first revealed to the Subcommittee by Salvatore Gravano, who just testified about the relationship. Subcommittee depositions of Certo and McGirt revealed that Weiner is a personal friend of Corozzo and that both Certo and McGirt were introduced to Corozzo by Weiner. Certo and McGirt both testified under oath that to their knowledge, Corozzo does not have an ownership interest in McGirt's boxing earnings. JoJo Corozzo invoked the Fifth Amendment in response to all questions during his Subcommittee deposition.

Subcommittee staff, with the assistance of the Government Accounting Office, conducted a comprehensive analysis of the financial records of Alfred Certissimo, Inc., the company controlled by Certo and Weiner, that holds all of McGirt's earnings. Although we found no direct evidence of payments being made to Corozzo, we did find a pattern of very questionable payment practices.¹

The exhibit on my right represents the flow of funds from McGirt's November 29, 1991 fight against Simon Brown.² This ex-

¹ Exhibit No. 44 is retained in the files of the Subcommittee.

² Exhibit No. 4 appears on page 164.

hibit illustrates how all money due McGirt goes directly to Alfred Certissimo, Inc. In this case, McGirt's promoter, Madison Square Garden, wrote checks directly to Alfred Certissimo, Inc., from McGirt's purse earnings and training expenses.

We also have evidence that Madison Square Garden paid Weiner \$40,000 of the money owed McGirt in cash, but have been unable to determine if this money has been deposited or how it has been spent. I'd like to point out that on the chart we list the check number because we initially thought that the \$40,000 was paid by check because we were given a check showing the \$40,000 payment. We have since discovered that the check was voided, and it was never negotiated, and the transaction was actually conducted in cash.

Although Nevada has a regulation requiring that a boxer be paid directly, McGirt requested that the Nevada commission waive this regulation so that Alfred Certissimo, Inc., would be paid directly. Since such regulations are intended to lessen the likelihood that a boxer will be cheated by his management, this arrangement is questionable and circumvents the intent of State regulations.

One questionable pattern and practice involves the so-called "third party endorser" transactions. The exhibit that we are now putting up illustrates this practice.¹

As the exhibit indicates, Stuart Weiner wrote a check for \$3,000 to himself. I am referring to the top check. Then, as the back of the check indicates, which is right under the check on top, he endorsed the check with his name and then wrote the third party endorsement of Alfred Certissimo, Inc. Although it looks like the check was redeposited into Alfred Certissimo, Inc.'s account, the corresponding bank statement does not list a specific \$3,000 deposit. Certo testified at his deposition² that such checks are on occasion converted into cash. Our analysis of Alfred Certissimo, Inc.'s checks, bank statements and tax records indicate that practically all third party endorser checks are apparently converted into cash. Over 10 percent of all checks written on the Alfred Certissimo, Inc. account for a 3-year period were handled in this manner.

A second questionable pattern involved the practice of writing two separate checks to the same payee on the same day. This practice is illustrated by the same exhibit that we have up now. As you can see, Stuart Weiner wrote two checks to himself on March 31, 1990. Check No. 1289, which is on the top, is for \$3,000. Check No. 1291, on the bottom, is for \$2,170. The \$3,000 check was third party endorsed, leading us to suspect it was converted into cash, and the \$2,170 check appears to have been deposited in another account.

On eight separate occasions, Stuart Weiner wrote himself two separate checks for significant amounts of money on the same day. On one day, Weiner wrote three separate checks to himself.

While this evidence is not conclusive proof of wrongdoing, it clearly provides a ready method for siphoning off large sums of money in the form of cash.

In conclusion——

¹ Exhibit No. 5 appears on page 165.

² Exhibit No. 12 is retained in the files of the Subcommittee.

Senator COHEN. How does writing the second one siphon off a large amount of money in that case? If he writes a check out to himself and cashes it, and there is a bank record of it, how is that siphoning off money?

Mr. LORD. Senator, on the bottom, we are assuming that he might have deposited that into an account, although if it is his bank, he could have cashed it. We have no idea. I'm saying the top check, which is a third party endorser check, was likely converted into cash because in our analysis of all the deposits made into Alfred Certissimo, Inc., up against their income reflected on their tax record, minus loans, shows that these checks could not have been redeposited or they wouldn't have balanced. And GAO helped us come to the conclusion of that analysis.

Senator COHEN. But that wouldn't apply to the second check, though.

Mr. LORD. We have no idea, because we did not subpoena Mr. Weiner's bank records. We have no idea if that is the case.

In conclusion, we have no reason to believe that under the present regulatory structure, anything will change. The current regulatory structure has had over 30 years to rid boxing of organized crime influence and involvement, and it has not done so. We agree with the view of former organized crime member Michael Franzese and former FBI agent Joseph Spinelli, that the most effective way to rid boxing of organized crime is Federal oversight of the industry.

Senator at this time, I have a list of 44 exhibits that I would request be admitted into the record at this time.

Senator COHEN. [Presiding.] Without objection, they will be admitted into the record.

Mr. LORD. Thank you, and we'll be happy to answer any questions.

[The prepared statement of Messrs. Lord and Levin follows:]

CORRUPTION IN PROFESSIONAL BOXING—PART II

ORGANIZED CRIME INVOLVEMENT

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS ¹

BACKGROUND—KEFAUVER HEARINGS

The Staff Statement of March 10, 1993 pointed out that the United States Senate last looked into organized crime involvement in professional boxing 30 years ago. Between 1960 and 1961, the Senate Subcommittee on Antitrust and Monopoly, chaired by Senator Estes Kefauver (D-Tenn.), conducted an extensive investigation, including 13 days of hearings, concerning the boxing industry.² Although the investigation and hearings concentrated on anti-competitive practices in the boxing industry, they additionally exposed widespread organized crime involvement in boxing. At the conclusion of the hearings, Senator Kefauver stated that those hearings, "showed beyond any doubt that professional boxing has had too many connections with the underworld."³

¹ This Staff Statement was prepared by the Minority Staff of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee of the U.S. Senate.

² U.S. Congress. Senate Committee on the Judiciary. Subcommittee on Antitrust and Monopoly. Professional Boxing Hearings, 86th Congress 2d Session. Washington, D.C., June 14 and 15, and December 5, 6, 7, 8, 9, 12, 13 and 14, 1960, 87th Congress 1st Session, Washington, D.C., May 31, June 1 and 2, 1961.

³ Kefauver, Senator Estes. National Boxing Commission, Remarks in the Senate. Congressional Record, v. 109. March 25, 1963. p. 4786.

The Kefauver hearings were apparently brought about by a series of criminal investigations, indictments and convictions exposing organized crime involvement in the boxing industry during the late 1950s.⁴ At the start of the hearings, Senator Kefauver reported that a criminal investigation in New York had led to the conviction of underworld figures Paul John "Frank" Carbo and Gabriel Genovese for their secret boxing activities. That same New York investigation further uncovered that organized crime figure Anthony "Tony Fats" Salerno had financed the first Johanson vs. Patterson heavyweight championship. Senator Kefauver also reported that a West Coast investigation had led to the indictment and convictions of Carbo, Frank "Blinky" Palermo and others for their extortion attempt to control the welterweight title.

The West Coast investigation led then Governor Edmund G. Brown of California to state, on August 25, 1959, that boxing "smells to high heavens" and that if Congress did not force a cleanup, he might recommend the abolition of the sport in his home State.⁵ Governor Brown went on to state that: ". . . I think we are going to have to have some national laws on this subject because this boxing business is apparently infiltrated with racketeers and gangsters."⁶

The Kefauver hearings uncovered a conspiracy between organized crime elements and licensed promoters, matchmakers and managers to control the major boxing contests in the United States. The Subcommittee heard volumes of testimony about how organized crime figures, and especially Frank Carbo, controlled the sport of boxing.

James D. Norris of the International Boxing Club (IBC) testified that Carbo acted as a "convincer" in lining up four former boxing champions, Jacob "Jake" LaMotta, Carmen Basilio, Willie Pep and Tony DeMarco for IBC bouts.⁷ Boxer Ike Williams testified that he was boycotted by the International Managers Guild and unable to obtain fights until he hired mobster, and Carbo associate, Frank "Blinky" Palermo to become his manager. Williams further testified that Palermo stole two of his championship purses and passed along several bribe offers to intentionally lose bouts. Jake LaMotta testified that he accepted a large bribe to lose two bouts in order to obtain a promise of a middleweight championship bout.⁸ The Subcommittee also heard testimony indicating that former heavyweight champion Sonny Liston was secretly managed by Carbo, Palermo and St. Louis racketeer John Vitale.⁹

Carbo, Palermo, Vitale, as well as others, invoked their constitutional privilege against self-incrimination with regard to all questions relating to their boxing activities.

Two years after exposing the problems within the boxing industry, Senator Kefauver concluded in 1963 that he had seen nothing to "indicate that professional boxing ever will, on its own initiative, free itself from control by racketeers and other undesirables . . . if strong measures are not taken to clean boxing then it should be abolished."¹⁰ The strong measures referred to by Senator Kefauver included legislation that he introduced in 1961 and 1963 to provide a Federal role in the regulation of boxing. These bills, S. 1474 (87th Congress) and S. 1182 (88th Congress) would have established within the Department of Justice a United States Boxing Commission to set minimum standards for the regulation of boxing.

In describing his legislation, Senator Kefauver stated that the primary purpose of his legislation was to, "drive the racketeers out of boxing. . . ."¹¹ The Kefauver legislation sought to do this by establishing a nationwide licensing system supported with criminal sanctions and investigative powers, including utilization of the Federal Bureau of Investigation. The licensing entity envisioned by the Kefauver legislation was given wide latitude to determine who should and should not be licensed to participate in boxing. The legislation additionally contained a provision making it a

⁴ Subcommittee On Antitrust and Monopoly, Professional Boxing Hearings, 86th Congress, 2nd Session, Washington, D.C. June 14, 1960, Statement of Senator Estes Kefauver (D-Tenn), p. 1.

⁵ *Ibid.*, p. 2.

⁶ *Ibid.*

⁷ Subcommittee on Antitrust and Monopoly, Professional Boxing Hearings, 86th Congress, 2nd Session, Washington, D.C. December 9, 1960, at pp. 549, 589.

⁸ Subcommittee on Antitrust and Monopoly, Professional Boxing Hearings, 86th Congress, 2nd Session, Washington, D.C., June 14, 1960, p. 6.

⁹ *Ibid.*, p. 1251.

¹⁰ Kefauver, Senator Estes, National Boxing Commission, Remarks in the Senate, Congressional Record v. 109, March 29, 1963, p. 4786.

¹¹ Subcommittee on Antitrust and Monopoly, Professional Boxing Hearings, 87th Congress, 1st Session, Washington, D.C., May 31, 1961, p. 1252.

crime to operate "behind the scenes" as a "manager-in-fact" in boxing without a license.¹²

Senator Kefauver's legislation did not become law due to his untimely death. However, as a result of the Kefauver hearings in 1964, Congress did enact P.L. 88-316 which made bribery in a sporting contest a Federal crime.¹³

Organized Crime¹⁴ Involvement Post-Kefauver Hearings: How Have Things Changed?

While organized crime does not appear to exercise the pervasive control of professional boxing which was evident at the time of the last Senate investigation, organized crime members and associates of organized crime remain heavily involved in boxing, primarily as managers, advisors and investors. There is additional evidence that the greatly increased amount of purse money now available to top professional boxers make the sport more attractive to organized crime. On the other hand, State regulatory efforts to prohibit organized crime infiltration of professional boxing have continued to be as ineffectual as they were 32 years ago.

Crown Royal Investigation

In July of 1980, the Federal Bureau of Investigation's New York Division initiated a multi-faceted probe, known as "Crown Royal," into corruption in professional boxing. Although the Crown Royal investigation was ended without indictments, it revealed substantial evidence of corruption and organized crime involvement in the boxing industry.

The supervising case agent of Crown Royal, Joseph Spinelli,¹⁵ testified at the Subcommittee's August 12, 1992 hearing that Crown Royal consisted of two undercover FBI agents and a cooperating witness (who also testified at the Subcommittee's August 12, 1992 hearing under the pseudonym "Bobby," and from behind a screen to protect his identity) who established their own boxing company and expressed to the boxing community a desire to promote professional fights. The agents and cooperating witness posed as former drug dealers seeking to arrange a boxing co-promotion with Don King, a leading boxing promoter. The purported purpose of the co-promotion was to launder large amounts of drug money.

Spinelli testified that early in the investigation, members of organized crime represented to the FBI undercover team that organized crime groups had access to various boxing promoters and could assist in arranging a co-promotion. Evidence was also uncovered, Spinelli testified, that an organized crime associate was the recipient of the Philadelphia closed-circuit TV rights for the 1980 Ali-Holmes fight.

During the course of the investigation, the undercover agents and cooperating witness met with reputed members of three different organized crime families, the Genovese, the Colombo, and the DeCavalcante families, all representing that they had influence in professional boxing. Former Colombo family capo regime ("captain") Michael Franzese who was unwittingly caught up in the Crown Royal probe and the cooperating witness, "Bobby," additionally testified that four organized crime families (the Colombo, Genovese, and DeCavalcante as well as the Cleveland families) were involved in arranging a meeting between the FBI undercover team and promoter Don King.

The cooperating witness testified that he was informed by boxing public relations man Chet Cummings that he would need "connections" to do a co-promotion of a boxing event. Cummings introduced the undercover team to one of his connections, the former underboss of the Colombo family, Sonny Franzese.¹⁶ After the undercover team informed Sonny Franzese that they wanted to do a co-promotion with Don King, Sonny Franzese introduced the undercover team to his son and Colombo capo regime, Michael Franzese, who, according to Sonny Franzese, could set up the meeting with King. Michael Franzese testified that he was thereby unwittingly brought into the Crown Royal investigation.

¹² *Ibid.*

¹³ 78 Stat. 203-204.

¹⁴ Organized crime in this statement refers to the traditional organized crime groups known as La Cosa Nostra.

¹⁵ Spinelli retired from the FBI in July of 1985 and currently serves as the Inspector General for the State of New York.

¹⁶ Michael Franzese, Sonny Franzese's son, testified at the Subcommittee's August 12, 1992 hearing on Corruption in Professional Boxing, that his father had a longstanding business and professional interest in boxing, including an ownership interest in several boxers such as Rocky Graziano.

Michael Franzese advised the undercover team that he could arrange the meeting but that King was not with his family (the Colombo family) but with the DeCavalcante organized crime family. That crime family, in turn, had to clear the meeting with the Cleveland organized crime family, based in King's home town. Franzese testified that each of the four families would also get a share of the boxing co-promotion for having helped arrange the meeting with Don King. Having received the necessary clearances, Franzese testified that he then "reached out" to the Reverend Al Sharpton to actually arrange the meeting with King because of Sharpton's well-known ties with Don King. To set up a meeting with Sharpton, Franzese testified, he went through Genovese family soldier Danny Pagano who was known to have close ties with Sharpton. Pagano, Franzese testified, set up a meeting with Sharpton and the undercover team to discuss the co-promotion.¹⁷

During his testimony before the Subcommittee, Spinelli identified an FBI videotape and audiotape of meetings between Sharpton, Pagano and the undercover team discussing the co-promotion. On the audio tape Sharpton is heard saying, "... the only way that I know that I can guarantee Don [King] don't screw you if I go in I want our people to go in and we be involved which is why I bring him [referring to Pagano] to you. . . ." Later on the same audiotape Pagano is heard saying, "Wait, wait, wait. . . What you want to do is you want to make the deal with Don [King] but you want somebody there so he can't f*** nobody." The undercover agent then answered, "Yeah, that's right," with Pagano replying, "It's all right with me. I'll go with you."¹⁸

The result of all these organized crime contacts was that, on January 12, 1983, the undercover team, along with Franzese and Sharpton, met with King. King was not only comfortable working with organized crime members, he also expressed no concern with the illicit source of the money for this proposed deal. King agreed to do the co-promotion with the undercover team.¹⁹ However, before that could be done, the FBI ended the Crown Royal investigation, due to potential liability risks involved in promoting a boxing match. The FBI closed the investigation, and no Federal indictments were sought.

Testimony at the Subcommittee's August 12, 1992 hearing further revealed that Crown Royal was not Don King's only contact with organized crime. Franzese testified that he attended a meeting around 1976 where Paul Castellano, then boss of the Gambino organized crime family, and Thomas DiBella, then boss of the Colombo organized crime family, met with King. Franzese testified that Castellano and DiBella berated King because the outcome of a fight was different than the result King had promised, resulting in organized crime members having lost money betting on the fight. Although Franzese did not recall the particular fight, he specifically remembered that King had claimed to be able to determine the fight's outcome in advance because he owned both boxers.²⁰

New Jersey Commission of Investigation

In February of 1983, after the New Jersey State Police conducted a preliminary assessment of New Jersey's boxing controls and procedures, then New Jersey Attorney General Irwin I. Kimmelman ordered the New Jersey State Commission of Investigation (NJSCI or the Commission) to conduct a more in-depth inquiry. In addition to finding serious problems with New Jersey's boxing regulatory structure,²¹

¹⁷ Testimony of Michael Franzese, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, p. 100.

¹⁸ PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibits No. 37a and 37g.

¹⁹ King invoked his Fifth Amendment privilege against self-incrimination in response to all questions propounded to King at a Subcommittee deposition, PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992, Exhibit No. 29.

²⁰ Crown Royal revealed that corruption in professional boxing is not limited to that which is orchestrated by organized crime but includes corruption at all levels of professional boxing. The FBI's cooperating witness testified that he personally delivered \$3,000 to Bob Lee, then New Jersey Deputy Boxing Commissioner, as a pay-off. This pay-off was to expedite the FBI undercover team obtaining a boxing promoter's license in New Jersey in order to do the co-promotion with Don King.

In response to questions regarding these pay-offs and to all other questions propounded by the Subcommittee at its hearing, Bob Lee invoked his Fifth Amendment privilege against self-incrimination. PSI Hearings on Corruption in Professional Boxing, August 11 and 12, 1992.

²¹ Interim Report and Recommendations of the State of New Jersey Commission of Investigation on the Inadequate Regulation of Boxing (March 1, 1984).

the Commission found such extensive organized crime involvement in New Jersey boxing that it issued a separate report in 1985 addressing solely organized crime involvement in boxing.²²

The report concluded that the Commission's inquiry, "provides ample confirmation of underworld intrusion," into the New Jersey boxing industry. The report also concluded that law enforcement monitoring of organized crime's presence in boxing was sporadic at best. The report found the lack of law enforcement monitoring especially surprising in light of increased organized crime interest in the sport since its revival in New Jersey as a casino industry promotional tool. Although the Commission's final report presented no conclusive proof that a particular boxer was a "mob pawn" or that organized crime had "fixed" a given prize fight, it did find that members and associates of organized crime were involved at all levels of New Jersey boxing.

The New Jersey report relates several case studies of organized crime members and associates and their participation in the New Jersey boxing industry. Of those addressed in the case studies, several remain active in boxing today. One such individual is organized crime associate Alfred Certissimo, also known as Al Certo. According to the New Jersey report, Certo owns a tailor shop and was co-owner of a restaurant, both of which were well known "mob hangouts." The report also established that Certo had ongoing relationships with a host of organized crime members and associates including Genovese soldiers John DiGilio (now deceased), John "Moose" Marrone, Sr. and Joseph "Pepe" LaScala, among others.²³ Certo was granted immunity before testifying before the Commission. Certo's testimony, nevertheless, was characterized by the Commission report as "evasive." At the time of the 1985 report, Certo was a small-time promoter and booking agent in the Northern New Jersey area. Today, Certo is the manager of record of former World Boxing Council welterweight champion James "Buddy" McGirt. (For in depth discussion of Certo and his relationship to McGirt, see below).

Currently Active Boxers With Significant Ties To Organized Crime

Three currently active boxers have been identified as having significant ties to organized crime figures. The three boxers are former World Boxing Council welterweight champion James "Buddy" McGirt, former International Boxing Federation super-middleweight champion Iran Barkley and World Boxing Association cruiserweight champion Bobby Czyz. Each of these boxers has denied that they are knowingly controlled or influenced by organized crime figures. Whether these boxers are unwitting dupes or willing participants with organized crime is unclear. The evidence for their connections with organized crime is, however, overwhelming.

The three boxers discussed in this statement are not the only boxers with current organized crime ties. In fact, the staff is aware of allegations involving several other boxers who are not mentioned in this statement. The three boxers discussed do, however, illustrate three forms of organized crime involvement in boxing. These three case studies also represent three examples of how the current regulatory structure has failed to keep organized crime out of boxing.

1. James "Buddy" McGirt

Subcommittee staff learned from former Gambino crime family underboss Salvatore "Sammy the Bull" Gravano that Gambino soldier Joseph "JoJo" Corozzo "owned a piece" of former WBC welterweight champion Buddy McGirt. Gravano also asserts that Al Certo, McGirt's manager of record, was an associate of the Gambino family. Gravano was aware of Corozzo's relationship with McGirt because Corozzo had "put it on the record" with Peter Gotti, who is Corozzo's capo regime. Gravano claimed that he was then told about the relationship when Peter Gotti reported it to him.

Gravano was also aware of a disagreement between the Bufalino family and the Gambino family over who owned McGirt. Eddie Sciandra, the consigliere of the Bufalino family had, according to Gravano, complained to Gambino boss John Gotti that the Bufalinos owned McGirt. Gravano was then told by Gotti to arrange a "sit down" to settle the dispute. Gotti decided the dispute in favor of Corozzo and the Gambino family because Corozzo had allegedly paid Sciandra for his interest in McGirt.²⁴

²² Organized Crime in Boxing, Final Boxing Report of the State of New Jersey Commission of Investigation (1985).

²³ *Ibid.*, p. 17.

²⁴ Corozzo repeatedly exercised his Fifth Amendment right when subpoenaed to testify before Subcommittee staff. Exhibit No. 14 is retained in the files of the Subcommittee.

At deposition, McGirt denied that anyone owned any part of his contract and said that the only individuals with any right to a percentage of his earnings, to his knowledge, are his managers Alfred Certissimo, also known as Al Certo, and Stuart Weiner.²⁵ Certo also denied, at deposition, that anyone, to his knowledge, owned any part of McGirt's contract other than he and Weiner. Al Certo and Stuart Weiner themselves, however, have extensive organized crime connections.

Al Certo is characterized by at least two law enforcement entities as a Genovese family associate. The 1985 New Jersey State Commission on Investigation report concluded that Al Certo had extensive ties with organized crime figures.²⁶ In a deposition before Subcommittee staff, Certo acknowledged familiarity with a large number of organized crime figures but denied that such individuals had dealings with him or Mr. McGirt. When asked at deposition about Mr. McGirt's connections with Gambino soldier Corozzo, for example, Certo stated:

Certo: Nah. He has nothing to do with Buddy whatsoever.

Q. Okay. Does he—

Certo: You've gotta understand, these people have nothing to do with us, nothing whatsoever.

Q. Who are "these people"?

Certo: I mean, you're talking about guys like John Marrone [reputed Genovese soldier], Johnny DeGilio [reputed Genovese soldier—deceased]. They never had no—I just know these guys. I never had no dealings with them and I'm not a so-called criminal, like you said these guys were. All the years that I seen them, I never seen these guys do anything. I wasn't a witness to it. So I can't talk about anybody.²⁷

McGirt's deposition testimony indicates that Certo takes a more visible and active role in McGirt's management than does Weiner. For example, McGirt testified that Certo, rather than Weiner, takes charge of McGirt's training, contract negotiations and other boxing related meetings.²⁸ In addition, although Certo and McGirt both testified that Weiner is an equal co-manager with Certo, only Certo is, or has been recently, licensed as McGirt's manager by State boxing regulators. At his deposition, McGirt was vague about the specific management duties that Weiner performs.²⁹

Certo testified that Weiner receives half of the manager's share of McGirt's earnings. Weiner received \$197,044 of McGirt's earnings between January 26, 1990 and August 14, 1992 according to a staff analysis of Alfred Certissimo Inc. (ACI's) financial records. (ACI is a company controlled by Certo and Weiner that holds all of McGirt's boxing earnings.) But Weiner has effective control of McGirt's boxing earnings through Weiner's authority to write checks on ACI's checking account. This account receives and disburses all of McGirt's boxing earnings. Some of the payments to Weiner were by ACI checks written by Weiner himself.

It is impossible to determine with certainty who the actual recipient is of a large percentage of payments made by ACI by Certo or Weiner because of questionable payment practices. The fact that all of McGirt's earnings go directly to a corporation, ACI, which is controlled by Certo and Weiner, is questionable itself. It circumvents the intent of State regulations requiring that the boxer be paid directly by the promoter in the presence of a State boxing regulator to insure that the boxer actually receive his full purse.³⁰

One questionable pattern and practice involves third party endorser transactions. A large number of ACI checks are so-called "third party endorser" checks. This practice involves ACI, through Weiner or Certo, writing a check to someone, then that person's endorsement is written on the back of the check and the check is given back to Weiner or Certo who endorse the check again, becoming the third party endorser. In an analysis of ACI's checks and bank statements, staff found that very few such checks appear to be redeposited into ACI's account, suggesting that the third party endorsed checks are being converted into cash. Certo explained the process at his deposition as follows: "he (Weiner) might put Buddy McGirt on there

²⁵ McGirt deposition, p. 74-75. Exhibit No. 13 is retained in the files of the Subcommittee.

²⁶ Organized Crime in Boxing, Final Boxing Report of the State of New Jersey Commission of Investigation (1985), p. 17.

²⁷ Certissimo deposition, p. 137. Exhibit No. 12 is retained in the files of the Subcommittee.

²⁸ McGirt deposition, pp. 28-29. Exhibit No. 13 is retained in the files of the Subcommittee.

²⁹ *Ibid.*, pp. 26-28.

³⁰ See Nevada State Athletic Commission rule 467.142(3), New York State Athletic Commission rule 208.19. Exhibit No. 27 is retained in the files of the Subcommittee.

(the check) and sign the back and go to the bank and cash it.”³¹ Certo further testified that he also takes cash payment by the same method.³² During the period January 1990 through September 1992 over 10 percent of all checks totalling in excess of \$158,000 were handled in this manner.

A second questionable pattern involves the practice of writing two checks to the same payee on the same day. On eight separate occasions, Stuart Weiner wrote himself two checks for significant amounts of money on the same day. On one day, Weiner wrote three separate checks to himself.

ACI's questionable accounting practices raise questions regarding exactly how the money McGirt earns is distributed. The complexity of the flow of funds for McGirt's fights is illustrated by analyzing the revenue for the McGirt-Simon Brown WBC welterweight championship fight, which was held on November 29, 1991, in Las Vegas.³³

This fight was a co-promotion of Don King Productions, Inc. (DKP), which had the promotional rights to Simon Brown, and MSG Boxing, as McGirt's promoter. DKP paid MSG Boxing \$800,000 for the fight from which MSG Boxing paid McGirt and took its promotional share, which was \$100,000.³⁴

MSG Boxing paid McGirt \$700,000, according to an agreement signed in New York (the New York contract) on November 26, 1991, by Bob Goodman (representing MSG Boxing), McGirt and Certo.³⁵ According to this agreement, McGirt was to receive \$625,000 plus \$75,000 in training expenses for the Brown fight. The New York contract included options on five future McGirt fights by MSG. This agreement is at odds with the bout contract filed with the Nevada State Athletic Commission (the Nevada contract), which called for McGirt to receive only \$625,000 for the Brown fight and which contained no options for future fights.³⁶

All of the money due McGirt for the Brown fight was paid to ACI, pursuant to a letter from McGirt (on MSG Boxing letterhead) to the Nevada Athletic Commission requesting that payment be made in that manner.³⁷ MSG Boxing paid checks in the amount of \$18,750 to the WBC on November 26, 1991, (sanctioning fee) and \$566,250 and \$40,000 to ACI on November 27, 1991. These checks totaled \$625,000.

However, that does not appear to be the case. Upon investigating this matter further, MSG Boxing provided the Subcommittee with a different copy of its \$40,000 check to ACI.³⁸ This copy was marked void across the front and the back was signed “Alfred Certissimo, Inc.” and had what appears to be the incomplete signature of Stuart Weiner. According to MSG Boxing, the Mirage Hotel would not cash for Weiner the corporate check payable to ACI. As a result, that check was never negotiated. To pay Weiner the \$40,000 cash, Goodman asked Don King to pay MSG Boxing's co-promotion fee in two checks, with one in the amount of \$40,000. Goodman then cashed that check at the Mirage Hotel and gave Weiner \$40,000 cash.

In a recent indictment filed by the District Attorney for New York County, Weiner was named as a member of the Joseph Corozzo crew of the Gambino organized crime family.³⁹ The indictment alleges that the Corozzo crew is engaged in

³¹ Certissimo deposition, p. 113. Exhibit No. 12 is retained in the files of the Subcommittee.

³² *Ibid.*, pp. 113-114.

³³ See “Flow of Funds” chart, prepared by the Permanent Subcommittee on Investigations, Exhibit No. 4 appears on page 164.

³⁴ MSG Boxing's promotional fee included a \$50,000 advance from McGirt to MSG Boxing, which was subsequently repaid by MSG Boxing in two \$25,000 installments in the form of checks to ACI on February 20, 1992, and March 13, 1992. Exhibits No. 33f and 33g are retained in the files of the Subcommittee.

³⁵ Bout Agreement With Options, dated November 26, 1991, signed by Bob Goodman, Buddy McGirt and Al Certo, Exhibit No. 38 appears on page 259.

³⁶ Nevada Athletic Commission Articles of Agreement, November 22, 1991, signed by Bob Goodman, Buddy McGirt and Al Certo. For a discussion of how these contracts violate various Nevada Athletic Commission rules, see Staff Report: “Corruption in professional Boxing—Inadequate State Regulation,” March 10, 1993, Permanent Subcommittee on Investigations. Exhibit No. 21d appears on page 254.

³⁷ Letter dated November 26, 1991, from Buddy McGirt to Chuck Minker. Nevada rules allow a boxer to assign his share of the purse by filing a written request with the commission at least five days prior to the fight. Nevada State Athletic Commission rule 467.137(5). However, allowing a boxer to assign his purse to his manager's company appears to violate the policy behind the Nevada rules. Exhibit No. 21c appears on page 253.

³⁸ Check No. 505394, dated 11/27/91, in the amount of \$40,000 from MSG Corporation to ACI, marked “void.” Exhibit No. 33h appears on page 257. The original copy of this check provided to the Subcommittee by MSG Boxing was a copy made when the check was initially cut and filed routinely. Exhibit No. 33e appears on page 256.

³⁹ *State of New York v. Joseph Corozzo et al.*, Indictment No. 11458-92 (New York Supreme Court), November 18, 1992. (Exhibit to Corozzo deposition, Exhibit No. 14 is retained in the files of the Subcommittee.)

illegal gambling, loan sharking and fencing of stolen goods, among other things. McGirt testified that he was aware that Weiner and Corozzo were friends and that he (McGirt) had been introduced to Corozzo by Weiner.⁴⁰ However, McGirt denied any knowledge of organized crime activities or involvement on the part of Corozzo or Weiner. McGirt did testify that Weiner had asked him to attend the trial of Gambino boss John Gotti. McGirt did, in fact, attend the Gotti trial, and Gotti greeted him at one point when Gotti was leaving the courtroom. When asked why Weiner would attend the trial of John Gotti, McGirt replied, "I guess they're boyhood friends."⁴¹

2. Iran Barkley

Former International Boxing Federation (IBF) super-middleweight champion, Iran Barkley, testified at deposition that he currently does not have a manager but does have "advisors." Barkley testified that one of his advisors is Eddie Mustafa Mohamed who serves as his trainer and receives the customary 10 percent of Barkley's earnings. The other advisor is Lenny Minuto who has been identified as a Luchese crime family associate.⁴² The role played by Minuto as well as his compensation is less well-defined.

When asked at his deposition about Minuto's role and compensation, Barkley was vague. For example, at one point Barkley claimed that Minuto was not paid to be his advisor, while at another point Barkley stated that Minuto would be paid \$100,000 in connection with Barkley's February title defense against James Toney.⁴³ Stan Hoffman, who has served as an advisor to both Minuto and Barkley testified, however, that he was under the impression that Minuto received 20 percent of Barkley's purse.⁴⁴ Minuto's role as an advisor to Barkley ranges from acting as an investment advisor to negotiating contracts for Barkley.⁴⁵ Minuto's role as a boxing adviser is, however, questionable considering that long-time boxing people such as Stan Hoffman do not consider Minuto to be knowledgeable about boxing. At his deposition before Subcommittee staff, Hoffman stated, "... because he [Minuto] really knew nothing about boxing that I could tell. . . ."⁴⁶ Barkley also does not appear to consider Minuto knowledgeable about boxing. For example, when asked what Minuto actually did as his advisor, Barkley testified, "[l]ike when we have meetings with Bob Arum (boxing promoter) or whatever, you know. I call him [Minuto] and Mustafa to sit in with me, and they sit in, and being that Mustafa know the game and I know the game, and Lenny [Minuto], he's learning, you know, from what we've showed him and he sits in with us and we talk. . . ."⁴⁷

The Minuto-Barkley relationship is illustrative of how organized crime figures are involved in the boxing industry as unlicensed paid "advisors" to boxers. For example, boxing a promoter Bob Arum told staff that he had to pay Minuto \$125,000, in addition to Barkley's purse, in order to get Barkley to agree to fight James Toney. The practice of labeling oneself an advisor rather than a manager or co-manager allows one to avoid State licensure, yet be active in the business of boxing. The role of an advisor is often, however, indistinguishable from that of a manager. So-called advisors often negotiate on behalf of boxers and assure that boxers prepare themselves for fights, all of which qualify one as a manager under most State boxing regulations. For example, the New York State Boxing Regulations Part 205.1(g) define a manager as "... any person, including an 'agent,' who directly or indirectly, directs or administers the affairs of any boxer. . . ." New Jersey defines a manager as anyone who "directs or controls the activities of a professional boxer" (NJAC 13:46-1.1) or as anyone entitled to 10 percent or more of a boxer's earnings (NJAC 13:46-1.1). Most so-called "advisors," including Minuto, would fit at least one of the above definitions of a manager. Nevertheless, they are not licensed, and States do not enforce the licensure requirement.

⁴⁰ McGirt deposition, p. 6. Exhibit No. 13 is retained in the files of the Subcommittee.

⁴¹ *Ibid.*, p. 8.

⁴² According to the deposition testimony of boxing advisor Stan Hoffman, Lenny Minuto was also involved with the career of now-retired professional boxer Dennis Milton (Hoffman deposition at p.37); Subcommittee staff has found no record of Minuto being licensed as a manager of Milton. Staff did find that Minuto's son, Lenny Minuto, Jr., was licensed in New Jersey as Dennis Milton's manager. Lenny Minuto also has a cousin named Marco Minuto who has managed several professional boxers and was licensed in New York until 1991. Exhibit No. 16 is retained in the files of the Subcommittee.

⁴³ Barkley deposition, p. 44. Exhibit No. 17 is retained in the files of the Subcommittee.

⁴⁴ Hoffman deposition, p. 44. Exhibit No. 16 is retained in the files of the Subcommittee.

⁴⁵ Barkley deposition, pp. 28, 41. Exhibit No. 17 is retained in the files of the Subcommittee.

⁴⁶ Hoffman deposition, p. 39. Exhibit No. 16 is retained in the files of the Subcommittee.

⁴⁷ Barkley deposition, p. 42. Exhibit No. 17 is retained in the files of the Subcommittee.

3. Bobby Czyz

Bobby Czyz is the current World Boxing Association cruiserweight champion. Czyz testified at the Subcommittee's August 11, 1992 hearing that during his early professional boxing career, his father negotiated a 10-year earnings agreement with Andrew Licari and Andrew Dembrowski whereby Czyz received a \$300,000 advance against a percentage of his future earnings. According to Czyz, this arrangement gave him the resources to dedicate himself to boxing and gave his investors the right, for 10 years, to 26 percent of Czyz' boxing earnings.

Czyz testified that, although the terms of his contract with Licari and Dembrowski had expired, he had voluntarily extended the contract to account for several years of boxing inactivity on his part. Licari testified at a Subcommittee deposition that Czyz had voluntarily extended the agreement on two separate occasions.⁴⁸ Licari claimed that Czyz had agreed to do this because he and his partner, Dembrowski, had not gotten their initial investment back. According to Licari, the agreement is in effect indefinitely until they get their investment back.⁴⁹ When Czyz was asked whether Licari exercised any control over his career, Czyz answered, "[a]bsolutely zero. He [Licari] has been a good friend and nothing more, as well as a business associate in that regard."

Czyz denied any knowledge of Licari's or Dembrowski's ties to organized crime. Czyz was aware, however, of the 1985 New Jersey Commission on Investigation's Report that alleged that Licari was an associate of the Luchese crime family. Moreover, a sworn statement submitted to the Subcommittee by former acting boss of the Luchese family, Alfonse D'Arco, states as follows, "I am familiar with Andrew Licari of Northern New Jersey. Licari is a member of the Luchese family and was inducted into the family sometime around 1990. Licari was brought in by a relative of Licari's and Luchese member, Leonard Pizzolatto. Licari is involved in loan sharking and several other businesses."⁵⁰ In his Subcommittee deposition, Licari acknowledged that, in addition to his original investment in Bobby Czyz's contract, he made interest-free loans to Czyz. A letter submitted to the Subcommittee by Licari's attorney indicates that Licari and Dembrowski have loaned Czyz \$80,000 since 1981 and \$50,000 of that amount is still owed. Licari testified at his deposition that it was not customary for him or his business to loan money to individuals.⁵¹

D'Arco also testified at the 1992 trial of Luchese boss Vittoria Amuso that Licari was a member of the Accetturo crew of the Luchese family. At his Subcommittee deposition, Licari acknowledged knowing the individuals alleged to comprise the Accetturo crew, but denied any personal knowledge of the crew or that the alleged members of the crew were affiliated in any way with organized crime.⁵²

Although ownership of a percentage of a boxer's contract, which establishes the right to some percentage of the boxer's future earnings, is a common practice, such agreements are rarely public knowledge or recorded with boxing regulators.

In many cases, these practices circumvent the licensing requirements of State boxing regulators. These licensing regulations require individuals involved in the business of boxing such as trainers and managers, to be licensed with the State boxing commission. Licensing, in turn, allows a State to control who is involved in the sport and to exclude those who, after being licensed, are a detriment to the sport. A boxing commission has little control or leverage over individuals it does not license. But licensing is only effective if the licensing entity makes at least a minimal inquiry into the background of the individual being licensed. As illustrated in the following section on the regulatory structure of boxing, most State regulators do not make even minimal inquiries.

Inadequate Regulation

Organized crime's presence in the boxing industry and its attendant corrupting effect has long been suspected. It has been part of the public record since the Kefauver hearings in the early 1960s and most recently with the hearings before this Subcommittee. The continued presence of organized crime in the boxing industry is most discouraging because the tools exist to eliminate it. First, law enforcement has become extremely capable at identifying and combatting organized crime members and associates. Secondly, the major boxing States have the laws and regulations necessary to exclude organized crime members and associates from the boxing industry. The regulations, however, are not being enforced.

⁴⁸ Licari deposition, pp. 33, 39. Exhibit No. 47 is retained in the files of the Subcommittee.

⁴⁹ *Ibid.*, pp. 38-39.

⁵⁰ Exhibit No. 31 appears on page 255.

⁵¹ Licari deposition at pp. 53-54. Exhibit No. 47 is retained in the files of the Subcommittee.

⁵² *Ibid.*, pp. 62-87.

The clear intent of State licensure rules and regulations is that those who participate in boxing in any significant way, should be licensed by the regulatory body at issue. Licensure in boxing, as with any profession or activity, is the most basic way to police a profession or activity. Licensure is, in addition, the means to exclude those who would be a detriment to a profession or activity. Indeed, one of the primary purposes of the Kefauver legislation, introduced over 30 years ago, was to, "drive the racketeers out of boxing. . . ." ⁵³ To accomplish this purpose, the licensing entity envisioned by the Kefauver legislation would have been given wide latitude to determine who should and should not be licensed to participate in boxing. The legislation additionally contained a provision making it a crime to operate "behind the scenes" as a "manager-in-fact" in boxing without a license. ⁵⁴

States today generally have wide latitude concerning their ability to deny or revoke a license to participate in boxing. The Nevada State Athletic Commission has a regulation allowing it to deny or revoke a license if the applicant or licensee: Has been convicted of a felony; engages in illegal bookmaking; engages in illegal gambling; or "[i]s a reputed underworld character." ⁵⁵ In the State of New Jersey, the State Athletic Control Board has the power to deny or revoke the license of a boxing manager or promoter if the applicant or licensee is convicted of a "crime of moral turpitude or any other offense which indicates that licensure would be inimical to the conduct of the sport of boxing. . . ." ⁵⁶ In New York State, the State Athletic Commission can deny a license to participate in boxing based solely on the character and general fitness of an applicant. ⁵⁷ New York also has a regulation allowing revocation of a boxing license if a licensee is guilty of an act detrimental to boxing or associates or consorts with persons who have been convicted of a crime or who are "bookmakers, gamblers or persons of similar pursuits. . . ." ⁵⁸

When asked at a Subcommittee deposition whether the Nevada Athletic Commission had ever, under its rule 467.082 denied a license to a "reputed underworld character," the chairman of the Nevada Athletic Commission Elias Ghanem, replied, "I don't know if any reputed underworld character has ever applied for a license." ⁵⁹ Marc Ratner, the Commission's chief inspector, testified at the same deposition that although the Commission application asks if an applicant has been arrested for a felony, the Commission does not do background checks nor does it contact any law enforcement agencies about licensure applicants. When asked why the Commission did not do background checks, Ratner testified that the Commission does not have the staff to do so.

The testimony of New Jersey State Athletic Commissioner Larry Hazzard indicates that New Jersey, like Nevada, does not attempt to enforce its licensure laws and regulations. At the Subcommittee's August 11, 1992 hearing, Hazzard was questioned about the licensure of Alfred Certissimo, also known as Al Certo. The 1985 New Jersey Commission of Investigation Report on Organized Crime in Boxing stated, "Al Certo's admitted close association with organized crime figures dictate that he be barred from licensure and, in fact, from any professional role in the sport." ⁶⁰

Hazzard testified that he was familiar with Certo and with the 1985 Report but had, nevertheless, repeatedly licensed Certo to participate in New Jersey boxing. When asked why Certo had repeatedly been licensed in New Jersey in light of the 1985 Report, Hazzard testified, "we do not feel that, based on a report that was submitted by a State Commission of Investigation [we] should deny Mr. Certo of his right to participate in the sport of boxing." Hazzard further testified that he did not conduct background checks of licensure applicants because he did not have the resources to do so. Hazzard did acknowledge that he could have checked with the Commission of Investigation regarding its findings.

The Kefauver hearings confirmed the long held belief that whatever organized crime touches it corrupts. Those hearings additionally confirmed that, as with any industry, once organized crime's corrupting influence takes hold, it is difficult to shake it off.

⁵³ Subcommittee on Antitrust and Monopoly, Professional Boxing Hearings, 87th Congress, 1st Session, Washington, D.C. May 31, 1961, p. 1252.

⁵⁴ *Ibid.*

⁵⁵ Nevada State Athletic Commission rule 467.082.

⁵⁶ New Jersey Administrative Code 13:46-6.18 and 18.8.

⁵⁷ Unconsolidated Laws, Title 25 Sports, Chapter 1—Boxing and Wrestling, § 8912(i).

⁵⁸ *Ibid.*, at § 8917(b).

⁵⁹ Ghanem deposition, p. 23. Exhibit No. 11 is retained in the files of the Subcommittee.

⁶⁰ Organized Crime in Boxing, Final Boxing Report of the State of New Jersey Commission on Investigation (1985), p. 17.

At the Subcommittee's hearing on August 12, 1992, Michael Franzese, former capo in the Colombo organized crime family, testified as to some of the detrimental effects of organized crime involvement in professional boxing. According to Franzese, former middleweight champion, Vito Antuofermo, was owned by Andrew Russo, a capo and former acting boss of the Colombo family. As is the case with Licari, Weiner, Corozzo and Minuto, however, Russo was not listed as Antuofermo's manager of record. Franzese testified that it was well known in boxing circles that Russo controlled Antuofermo. This enabled Franzese and other Colombo family members to know in advance the likely outcome of many of Antuofermo's fights so that organized crime could place their bets accordingly, with individuals wagering as much as \$50,000-\$100,000 on particular fights. Interestingly, Franzese testified that, when Antuofermo fought Marvin Hagler for the middleweight title, organized crime associates were told that the outcome of the fight was not pre-determined and that they were "on their own" with any bets they made on that fight.

In addition to the inside information gained from owning or being associated with a boxer, Franzese further testified about how organized crime uses this connection to manipulate boxers to benefit the interests of organized crime. Often this occurs at the expense of the best interests of the boxer and professional boxing. Franzese provided such an example in the case of Davey Moore, a middleweight in whom Franzese testified that he owned an 8 percent interest.

On June 16, 1983, Moore was scheduled to fight Roberto Duran. Moore, however, was not in the best shape and wanted to postpone the bout. Franzese testified that he and the other people who owned Moore, knew that their fighter, in that physical condition, could not beat Duran and that betting against their own boxer would be almost a sure thing. Thus, they decided to hold the fight as scheduled. Duran won and so did organized crime, by betting heavily against their own boxer.

Recent press reports have questioned Buddy McGirt's physical condition during his recent title defense on March 6, 1993. It was well publicized that McGirt was suffering shoulder problems prior to the March 6th fight, and he underwent major shoulder surgery after the fight. Certo is alleged in one press report to have dissuaded McGirt from seeing a private physician about his shoulder prior to the fight. Certo is quoted as saying, "Before the fight I had the injury. I still got the injury and a million bucks."⁶¹

Conclusion

The Subcommittee's investigation has shown that organized crime is currently involved in the boxing industry. There is no reason to believe that this situation will change. In fact, there is every reason to believe that organized crime involvement in the boxing industry will increase. The business of boxing is ideally suited for organized crime for two primary reasons. Boxing involves large sums of money, and it is ineffectively regulated.

Boxing's current regulatory structure has clearly failed to prevent organized crime involvement in boxing. Organized crime members and associates are allowed to manage, advise and invest in professional boxers. These same members and associates are either licensed by the State boxing commissions or allowed to avoid State licensure. The State commissions cite lack of resources as the reason they do not inquire into the background of their licensure applicants. Lack of resources, however, does not explain why the New Jersey Athletic Commission continued to license Al Certo after the New Jersey Commission of Investigations concluded that Certo had so many organized connections he should not be licensed. Lack of resources also does not explain why the New York Athletic Commission recently re-licensed promoter Don King after this Subcommittee heard testimony about his extensive organized crime connections.

One can only conclude, as did Senator Kefauver 32 years ago, that the States are unable to adequately regulate the business and sport of boxing. In addition, boxing has made no effort to regulate itself. The alternatives are to either abolish the sport or provide some sort of federal oversight. Abolishing boxing would probably be unworkable and would be unfair to the thousands of young men that the sport has benefitted.

With regard to organized crime, one of the strongest endorsements for a federal role in boxing came from former Colombo capo Michael Franzese who testified that Federal involvement in the boxing is, "likely to result in less organized crime involvement in the sport." Franzese explained that due to the pressure that the Federal Government has placed on organized crime, organized crime is becoming in-

⁶¹ Exhibit No. 43 is retained in the files of the Subcommittee.

creasingly more reluctant to get involved in activities monitored by the Federal Government.

Senator COHEN. The first question I would ask you is, in spite of the testimony we had last fall that the best way to rid organized crime of involvement in boxing is to have strong Federal oversight, we just had someone who is actively involved in organized crime and the boxing profession, indicated that would make very little difference as long as the money is there. Do you have any response to that?

Mr. LORD. Well, Senator, according to what we have heard during the course of this investigation, I would have to disagree. The Federal Government did a very good job of capturing Mr. Gravano, and in general the Federal Government has done a good job prosecuting and investigating organized crime, so I think they would continue to do so with regard to the boxing industry.

Senator COHEN. OK. Perhaps you could tell us a bit more about the function of State licensing boards and their relationship to boxing participants and licensed advisors and unlicensed advisors.

Mr. LORD. As far as unlicensed advisors go, there is no relationship between them and the State regulatory agencies because they totally circumvent the licensing process. They are not licensed; they do not put in applications for a license. And as far as we can tell, the boxing commissions do not go after them, don't try to force them to be licensed, and don't try to exclude them from boxing if they are in fact participating in the sport.

Senator COHEN. Well, do they perform any functions that would otherwise bring them within the scope of State regulation?

Mr. LORD. Yes, Senator, in many cases, they do. I think the examples on our chart—Lenny Minuto as one—are good ones. If he in fact receives 10 percent of Iran Barkley's boxing earnings, then he is a manager under the New Jersey definition of a manager—anyone who receives 10 percent or more of a boxer's earnings—and he would therefore have to be licensed as a manager in that State. Other States have very broad definitions of a manager—anyone who helps direct the career of the boxer. He certainly, according to the deposition of Mr. Barkley, is helping to direct his career and would have to be licensed as a manager in that capacity also.

Senator COHEN. Should we have a uniform definition of what constitutes an advisor?

Mr. LORD. Yes, Senator, or what constitutes a manager, so it would encompass all of these unlicensed advisors.

Senator COHEN. Mr. Levin, I think the staff statement indicates there is evidence that Mr. Lenny Minuto may have received as much as \$225,000 in connection with Mr. Barkley's last fight. Do you want to explain the evidence and how you arrived at that figure?

Mr. LEVIN. Certainly, Senator. The fight we are referring to was the Iran Barkley-James Toney IBF super middleweight championship fight. In his deposition, Iran Barkley said that he was going to pay Mr. Minuto \$100,000 from that fight. In addition, Bob Arum, who was the promoter of that fight, has told us that in order to get Barkley to agree to that fight, he had to agree to a side deal where Arum would pay Minuto \$125,000, thus bringing Minuto's total take from that fight to \$225,000.

Senator COHEN. Is there any evidence that Mr. Barkley himself knew about this?

Mr. LEVIN. The deposition of Mr. Barkley was taken prior to the fight, so talking about the \$100,000, he was saying that prospectively, that is what he was going to pay Mr. Minuto. With regard to the side deal between Mr. Minuto and Mr. Arum, Mr. Arum said that Mr. Barkley was involved with the negotiations and therefore presumably was aware of that side deal.

Senator COHEN. OK. Are there any background checks that are currently undertaken for those who apply for licensing to participate in boxing?

Mr. LORD. I think I can answer that, Senator. No. If you submit an application to be licensed, you have to fill out a form. It asks certain questions, but to our knowledge, no one checks the answers, no one checks to see if the individual has a criminal record or has any organized crime involvement.

Senator COHEN. Who should be in the business of checking background? Are you suggesting that the commissions do that work?

Mr. LORD. Probably not. I think law enforcement would probably be best able to do that, much in the way the Senate does background checks of people who are being appointed to positions. They could simply call the local law enforcement, or the Federal law enforcement, and ask if the individual has a criminal record or known association with organized crime, something like that.

Senator COHEN. And the primary reason that current State-based regulatory systems are not effective is what?

Mr. LORD. Well, I think one of the primary reasons—a lot of the States have very good regulations on the books. The problem is they just don't enforce those regulations. The unlicensed advisor example is a good one because a lot of States have regulations requiring that these people be licensed. The states just do not enforce those regulations.

And the second problem is inconsistency, as you just mentioned. There is a definition for a manager in every different State, so you may be a manager under one State but not under the next. It is very confusing.

Senator COHEN. OK. Could you explain in a little more detail what methodology you used to analyze the financial practices of Alfred Certissimo, Inc.?

Mr. LORD. We subpoenaed all the records from Alfred Certissimo, Inc., and that included bank statements, tax records, cancelled checks, and any other documentation regarding Alfred Certissimo, Inc. Alfred Certissimo's sole business is boxing, so we asked for all of their financial records.¹ We then had GAO do a detailed breakdown and analysis of those records. We had those submitted into a database so that we could then generate reports showing certain payment practices. And that is how we discovered the practices that we have testified to today.

Senator COHEN. Would you explain again why you believe that when two checks were written to the same person on the same day,

¹ Exhibit No. 44 is retained in the files of the Subcommittee.

at least one of those checks was converted to cash. What evidence do you have of that?

Mr. LORD. The evidence that we have is that over 10 percent of all checks written on the Alfred Certissimo, Inc. account are written in this method illustrated on the top, the third party endorser method. Stuart Weiner writes a check to himself for a certain amount of money. He then signs his name on the back, endorsing it. Then he puts the third party endorsement of Alfred Certissimo, Inc., and then he writes, "For deposit only," which would make you think that he wrote himself a check and then redeposited it into the same account the check was written on, which would make no sense as far as we can tell. But anyway, that's what it looks like happens.

But then what we did was we went through all the bank statements, totalled up the deposits, then went through their tax records, totalled up their income minus loans, and saw that deposits and income balanced. If they were redepositing all these checks, there would be an imbalance in the income coming into Alfred Certissimo, Inc.

Senator COHEN. If we could see that next chart,¹ I was going to ask you about other types of practices involving Alfred Certissimo, Inc.

Mr. LORD. OK. This is a third practice that occurs occasionally, and we have deposition testimony from Mr. McGirt² that Mr. Weiner has authority to write his name on the backs of checks, and it appears that's what happened here. Stuart Weiner wrote a check to James McGirt—and look very carefully at the signature—for \$2,000, and he appears to have written his name on the back, then wrote "Stuart Weiner, For Deposit Only." As you can see from the corresponding bank record, \$2,000 was taken out of the account and was never put back in. So the money was evidently converted to cash.

Senator COHEN. Thank you, Mr. Chairman.

Senator ROTH. Thank you for your testimony and information and for doing a good job. We appreciate it.

Our next panel of witnesses includes James "Buddy" McGirt, former WBC welterweight champion, who is accompanied by his co-managers, Al Certo and Stuart Weiner. If these gentlemen would please come forward.

I would ask Messrs. McGirt, Certo and Weiner to stand. Everybody has to be sworn in before testifying. Would you please raise your right hand? Do you swear the testimony you will give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MCGIRT. I do.

Mr. CERTISSIMO. I do.

Mr. WEINER. I do.

Senator ROTH. Gentlemen, please be seated.

Mr. D'CHIARA. Wait a second. We'd just like to arrange our seating here before you start.

¹ Exhibit No. 6 appears on page 166.

² Exhibit No. 13 is retained in the files of the Subcommittee.

Senator ROTH. Gentlemen, are any of you accompanied by counsel today?

Mr. CERTISSIMO. Yes.

Mr. D'BLIABLIAS. Yes, Senator. Let me identify myself. I am Dino D'BliaBlas, and I am an attorney from the State of New Jersey, and I represent Mr. Certo and Mr. McGirt.

Mr. D'CHIARA. And my name is Michael D'Chiara. I am an attorney from New York, and I also represent Mr. Certo and Mr. McGirt.

Mr. SCHULMAN. My name is Edwin Schulman. I am an attorney from New York, and I represent Mr. Weiner.

Senator ROTH. Do any of the witnesses have a statement at this time?

Mr. McGirt?

Mr. D'CHIARA. We were told that you required a statement 48 hours in advance, and on that basis, we have decided not to produce one, although we would like to make a brief statement now if that is acceptable to the Subcommittee.

Senator ROTH. Yes. Let me say the witnesses are entitled to counsel and the advice of counsel, but the counsel are not the witnesses.

Mr. D'CHIARA. It is not for the purpose of testifying, but just to make an observation. It seems as though you have been fairly lenient.

Senator ROTH. Let me say that counsel has no right to testify here.

Mr. D'CHIARA. I understand that.

Senator ROTH. If you have any advice, you can give it to your witness, but it is limited to that.

Mr. D'CHIARA. Right. But I am still requesting of you, Mr. Roth and Senator McCain, the right to make a brief statement before we commence this part of the hearing.

Senator ROTH. The witness can make a statement; that's correct. He is free to make a statement now.

Mr. D'CHIARA. Right. I'm asking on his behalf if I can make a statement.

Senator ROTH. No, you cannot.

Mr. D'BLIABLIAS. Then, may I have an opportunity to confer with Mr. Certo at this moment?

Senator ROTH. Yes, you may.

Mr. SCHULMAN. Mr. Roth, in the meantime, I'm making a request on behalf of Mr. Weiner whether any of the questions that are going to be posed are as a result of electronic eavesdropping.

Senator ROTH. Again, you are here to give advice to your client. You are not here to ask questions or to testify.

Mr. D'BLIABLIAS. Senator Roth, would you permit Mr. Certo to make a statement at this time?

Senator ROTH. Yes, of course, Mr. Certo can make a statement.

TESTIMONY OF ALFRED CERTISSIMO AND JAMES "BUDDY" MCGIRT, FORMER WBC WELTERWEIGHT CHAMPION, ACCOMPANIED BY MICHAEL D'CHIARA AND DINO D'BLIABLIAS, COUNSEL; AND STUART WEINER, ACCOMPANIED BY EDWIN SCHULMAN, COUNSEL

Mr. CERTISSIMO. How do you do? First of all, this is the very first time that we heard a statement from Mr. Gravano. I didn't even know what he was going to say.

Senator ROTH. Would you pull the microphone closer to you, please?

Mr. CERTISSIMO. Yes, sure. And we weren't actually prepared, but anyhow, despite that fact that we didn't know, I am here and prepared to answer all the questions that you have to put forth to me.

Senator ROTH. Is that your complete statement, Mr. Certo?

Mr. CERTISSIMO. Well, I don't know. You know I'd like to give my views on his testimonial over here.

Senator ROTH. Well, you are free to make a statement now if you wish.

Mr. CERTISSIMO. Do you want me to say it now? OK. Well, first of all, you know I have been involved in boxing for 45, maybe 50 years, ever since I was a young boy. And Mr. Gravano made a statement that he was involved in boxing in the forties and fifties—I don't know if he mentioned the forties, but even in the fifties—how old was Mr. Gravano in the fifties? Nine years old? Eight years old? Or in the sixties, too.

The statement that he made, taking money off fighters, I mean, here is a man who has admitted to killing 19 people. It is so easy to put a gun to anyone's head—Donald Trump or Don King—and say give me \$5 million, give me \$50 million, or I'll blow your brains out, instead of taking nickels and dimes off boxers. It doesn't make sense. He's the gangster here. He's the guy who knows everything. I've never seen this guy in boxing in my life.

I've been around in boxing, in every gym—Buddy McGirt trains in Jersey City, New Jersey. He said that his organization has a gym. Why didn't we train there, then, if I was associated with his so-called friends? Tell me why. And why did it take us 11 years to get to the position that we're in now?

If anybody ever tried to come to us, or muscle me, or tried to take anything from me, the first thing I would do is run to the law. Nobody ever asked me, even during the other investigations they had, nobody ever asked, "Is anybody bothering you guys? Is there anything we could do?" What they did was they threw a lot of names around, a lot of Italian names. And it just gets me sick and tired of hearing it.

You guys look at me, with the dark glasses, I look mysterious, and I talk through the side of my mouth—well, he must be a bad guy; he must be organized crime. I would like Mr. Gravano—I don't even like to call the guy "Mr. Gravano"—to take a lie detector right now, in front of me, and I'll take the lie detector, and we'll see who is lying, in front of you guys, in front of all these people. I never met the guy in my life. He is full of shit when he says I know him. I don't even know this guy. This is the very first time. And I am under oath now, right? My daughter is dead, and

I'd rather swear on her grave to tell the truth—I never met this guy in my life. This is the very first time I ever laid eyes on him.

He talked about boxing. This guy don't even know what boxing is. I'm an expert at it. I have been in every phase of the game.

Senator McCAIN. Mr. Certo, you don't have to shout.

Mr. CERTISSIMO. I know. That's my nature. I can't help it. I'm sorry, sir.

Senator McCAIN. No problem.

Mr. CERTISSIMO. And another thing—everything looks so mysterious—that picture up there, and this and that—I mean, I look like a criminal here. What are you guys doing here?

Senator ROTH. Let me intervene—

Mr. CERTISSIMO. Well, I'd like to finish my statement.

Senator ROTH. You can talk—

Mr. D'CHIARA. You gave him the right, Senator.

Senator ROTH. Counsel has no right to intervene, I would remind him. We are giving him the opportunity to speak, but we'll ask you to be as brief as possible.

Mr. CERTISSIMO. OK. I mean, these gentleman that just got off the table, these are grown, educated men. Everything we done was aboveboard. Every dime that was spent was—the checks that they are referring to, if they couldn't find it, then shame on them; these are grown, educated men. And you guys come over here, and you paint a picture like we done something wrong.

I've dealt with Madison Square Garden for 11 years. These are reputable people, and we've done everything aboveboard.

Senator ROTH. All right. Thank you, Mr. Certo. We will proceed now with the questions.

Mr. McGirt, is it correct that you are currently managed by Al Certo and Stu Weiner?

Mr. MCGIRT. Yes, it is.

Senator ROTH. And do you currently have a written management contract with Al Certo and Stu Weiner?

Mr. MCGIRT. With Al Certo, yes.

Senator ROTH. With—

Mr. MCGIRT. Yes, I do.

Senator ROTH. And is it true that Mr. Certo and Mr. Weiner are entitled to receive together one-third of your boxing earnings?

Mr. MCGIRT. Yes, it is.

Senator ROTH. Mr. McGirt, as I understood it, you last fought in New York, is that correct, on March 8, 1993?

Mr. MCGIRT. Wasn't it March 6, 1993.

Senator ROTH. March 6th.

Mr. MCGIRT. Yes, it is.

Senator ROTH. And are you aware that Mr. Weiner is not licensed in New York as a boxing manager?

Mr. MCGIRT. Not really, no, I'm not.

Senator ROTH. Now, what specific duties with regard to your management does Mr. Weiner have?

Mr. MCGIRT. Would you like for me to start from day one, or just briefly?

Senator ROTH. Well, your deposition testimony¹ indicates that you do not think Weiner knows much about boxing.

Mr. McGIRT. Say that again?

Senator ROTH. Is that correct? The deposition testimony indicates that you do not think Weiner knows much about boxing. Do you recall giving that testimony in the deposition?

Mr. D'CHIARA. Senator——

Senator ROTH. The question is addressed to Mr. McGirt.

Mr. D'CHIARA. And all I am trying to do is be helpful with Mr. McGirt, and I think there is some misunderstanding as to what you mean by not much knowledge.

Senator ROTH. You are free to advise the witness, but you are not free to make commentary.

Mr. D'CHIARA. OK, then, if you would wait 1 minute, let me get up, walk around and sit next to my client, and then you can continue with your questions.

Mr. D'BLIABLIAS. Senator, may we have a reference to the testimony by page and line of the transcript which we have before us?

Mr. RINZEL. Yes. It's page 25 of his deposition testimony. Mr. McGirt is describing—line 15 and below—referring to "Stuey" and the negotiations—"He wouldn't open his mouth because he wouldn't know what he was talking about." The question is——

Mr. D'CHIARA. If you read the whole answer in context, I think you see it refers to the beginning of that relationship.

Mr. RINZEL. Well, then, he can answer the question. The question is do you think——

Mr. McGIRT. That was from 11 years ago when I first met him, and he first got involved in boxing, and we met Al Certo. He didn't know too much then, because he was new to the game, so he would just sit around and just listen and pick Al's brain and find out more and more about boxing every day.

Senator ROTH. Let me ask you this, Mr. McGirt. Does Mr. Weiner negotiate contracts for you?

Mr. McGIRT. No. He sits in while Al and my lawyer, Michael, and Bobby Goodman—while they negotiate, Stuey sits in.

Senator ROTH. But he does not help negotiate?

Mr. McGIRT. No, because we both have all the faith in Al, our lawyer, and Bobby Goodman to do the best for me.

Senator ROTH. Does Mr. Weiner help with your training?

Mr. McGIRT. Yes, he does.

Mr. D'CHIARA. Again, we'd like to please have a page and line reference, Senator.

Mr. RINZEL. Pages 28 and 29 of the deposition.

Mr. D'CHIARA. And what line?

Mr. RINZEL. Well, there's a series of questions there.

Mr. D'CHIARA. Starting where, Dan?

Mr. RINZEL. Starting at the middle of page 28.

Mr. McGIRT. Well, when you say "training," everything when we're away, as far as getting the hotels and making sure that all the bills are paid and making sure I have my right physicals, and so on—that all consists of training, and that's what Stuey helps me

¹ Exhibit No. 13 is retained in the files of the Subcommittee.

with, because Al is in the gym, and if something has to be done, he would appoint Stuey to do it.

Senator ROTH. Now, Mr. McGirt, it is my understanding that all your boxing earnings go directly to the checking account of a company called Alfred Certissimo, Inc.; is that correct?

Mr. MCGIRT. Yes.

Senator ROTH. So you receive your boxing earnings from Alfred Certissimo, Inc., and that company is controlled by Al Certo; is that correct?

Mr. MCGIRT. Yes.

Senator ROTH. Do you receive a lump sum in the form of one check of your boxing earnings after a given fight, or do you receive various amounts over a period of time?

Mr. MCGIRT. Excuse me. Could you repeat that again, please?

Senator ROTH. Do you typically receive a lump sum in the form of one check?

Mr. MCGIRT. It all depends on the fight, how much you get. Sometimes I get a little cash, and then after we break down all the expenses and everything, then I get the rest.

Senator ROTH. So there are times when you do receive various amounts over a period of time?

Mr. MCGIRT. Yes; it varies, because each fight, the purse varies.

Senator ROTH. Mr. McGirt, do you keep records of the money you receive from Alfred Certissimo Inc. to assure that you receive all the money you are due?

Mr. D'CHIARA. I'd like to confer with my client for a second.

[Pause.]

Mr. MCGIRT. I basically do the best I can to keep track of everything that is paid to me, and as far as all the expenses go. They show me everything, and I go over everything, because if they give it to me, I'm kind of irresponsible, and I'll misplace it. But they have everything in writing, and they show me everything that goes to expenses and the checks to make sure everything evens out.

Senator ROTH. Do you get a written report after each fight?

Mr. MCGIRT. Yes, I usually do, yes. I have them with the accountant.

Senator ROTH. You were asked to produce such records by a Subcommittee subpoena, but your attorney indicated you could not find any such records; is that correct?

Mr. MCGIRT. Yes, it is.

Senator ROTH. And your accountant is the same accountant that Al Certo and Alfred Certissimo, Inc. uses?

Mr. MCGIRT. Yes.

Senator ROTH. Mr. McGirt, do you on occasion receive cash payments from Mr. Certo and Mr. Weiner?

Mr. MCGIRT. As far as——

Senator ROTH. Do you receive cash payments from either Mr. Certo or Mr. Weiner?

Mr. MCGIRT. After the fight, you mean, or——

Senator ROTH. At any time.

Mr. MCGIRT. Oh, like if I need money for myself while we're training, yes; they would give me a check, and I'd go cash the check.

Senator ROTH. You heard staff testimony about Stu Weiner writing checks to you, then endorsing your name——

Mr. McGIRT. Right.

Senator ROTH [continuing]. And then depositing them into his own account, or the Al Certissimo, Inc. account. Were you aware of this practice?

Mr. McGIRT. Well, he would write “for deposit only” just to show that I received the money. This way, you have a copy of the check.

Senator ROTH. Are you saying you’re receiving cash through such a transaction?

Mr. McGIRT. Yes, because it’s not for a large amount of money.

Senator ROTH. You say not for large amounts of money. That one is for \$2,000. Would you consider that a large amount of money?

Mr. McGIRT. No.

Senator ROTH. You would not consider that a large amount of money?

Mr. McGIRT. No.

Senator ROTH. What would you consider a large amount of money?

Mr. McGIRT. Twenty thousand, fifteen thousand.

Senator ROTH. So, did you get \$2,000 cash for that check?

Mr. D’CHIARA. It would be helpful if you could show us a copy of the check and the date——

Senator ROTH. It’s right behind you on the board.

Mr. D’CHIARA. If you have any present recollection of Check No. 1841 from November of 1991; if not, I don’t want you to testify about things that you don’t recall.

Mr. McGIRT. No, I don’t recall exactly what I used it for, to be honest with you; that’s like 2 years ago. I’ve had a lot of fights since then, so my memory bank is kind of short.

Senator ROTH. Well, according to the endorsement of that check, it was endorsed by Stuart Weiner into his personal account. So how did you get the money?

Mr. McGIRT. Well, I don’t remember. That was November 29th, correct, of 1991?

Senator ROTH. Yes.

Mr. McGIRT. That was right around when I was fighting for the title. So my mind at the time wasn’t on what the money was going to at that time.

Senator ROTH. Well, why would Mr. Weiner put the check in his own account?

Mr. McGIRT. You’ll have to ask him that one. I couldn’t answer that one—of course, around fight time, he doesn’t usually bother me because I’m usually grouchy.

Senator ROTH. Now, are you familiar with a Joseph “JoJo” Corozzo?

Mr. McGIRT. In which aspect familiar?

Senator ROTH. Do you know who he is?

Mr. McGIRT. I know him just as a friend of Stuey’s.

Senator ROTH. Have you met him?

Mr. McGIRT. Yes.

Senator ROTH. Did Stu Weiner introduce you to “JoJo” Corozzo?

Mr. McGIRT. Yes, he did.

Senator ROTH. Has Mr. Corozzo ever watched you train or watched you box?

Mr. McGIRT. Well, he watched me train once when I was training in Florida. My training was open to the public, and he happened to be there one day, and he just came over and told me "Good workout," and that was basically it.

Senator ROTH. Did Mr. Corozzo or Mr. Weiner ever ask you to attend the viewing of a tape of one of your past fights at Choices bar, now called City Limits, in the Ozone Park area of Queens?

Mr. McGIRT. Which date was that, may I ask?

Senator ROTH. It's in New York.

Mr. D'CHIARA. No. What date was the question, Senator?

Senator ROTH. The question was did Mr. Corozzo or Mr. Weiner ever ask you to attend the viewing of a tape of one of your past fights at Choices bar—

Mr. McGIRT. To the best of my recollection, Stuey has asked me, yes.

Senator ROTH. So the answer was yes. When was that?

Mr. McGIRT. That would have to be after the Simon Brown fight, either December of 1991 or January of 1992.

Senator ROTH. Do you know a person named Howie Santos?

Mr. McGIRT. Howie Santos? No.

Senator ROTH. Do you know Ronnie "One Arm" Trueecho?

Mr. D'CHIARA. If you could perhaps spell it, Senator.

Senator ROTH. T-r-u-e-e-c-h-i-o. Ronnie "One Arm."

Mr. McGIRT. No.

Senator ROTH. He owns Choices Bar.

Mr. McGIRT. I've never heard of Choices.

Senator ROTH. Was "JoJo" Corozzo at that tape showing you attended at City Limits?

Mr. McGIRT. As far as I recall—I can't remember—there were like 200, 300 people in there. It was really crowded, and a lot of people were congratulating me after the fight, and I didn't really stay too long.

Senator ROTH. Were you aware they were charging \$100 per person to attend that taping?

Mr. McGIRT. No, because I brought a crew of people with me, and we all just walked in.

Senator ROTH. Are you aware that "JoJo" Corozzo is a soldier in the Gambino organized crime family?

Mr. McGIRT. Only from the newspapers, when I saw it in the papers; that was about it.

Senator ROTH. Do you know if "JoJo" Corozzo receives any portion of your boxing earnings or has any financial interest in you?

Mr. McGIRT. No.

Senator ROTH. Have you ever heard allegations about Stu Weiner being associated with organized crime?

Mr. McGIRT. Not until now.

Senator ROTH. Are you aware that Mr. Weiner is named as a member of the Corozzo crew of the Gambino organized crime family in an indictment handed down by the Manhattan D.A.'s office on November 11, 1992?

Mr. McGIRT. Just when I read that, that's when I knew it. Other than that, I didn't know.

Senator ROTH. At this time, do you have questions, Senator McCain?

Senator McCAIN. Thank you, Mr. Chairman.

Mr. McGirt, I have watched you fight on many occasions. I have admired your skills, I have admired your courage.

Mr. McGIRT. Thank you.

Senator McCAIN. Part of the focus of these hearings is considering legislation which, frankly, is primarily aimed at protecting people like you from being exploited by undesirable elements, from boxing under conditions which may cause you severe injury, and frankly, cleaning up a sport which in the view of many Americans is not performing in the best interest not only of the American public but individuals such as yourself. And I hope that you understand that in the context of the questions that are being asked of you today.

Mr. McGIRT. Right.

Senator McCAIN. I watched you fight in your last fight, and you lost that fight. I watched the post-fight interview, and you stated that your shoulder had gone out in one of the early rounds and that you had been basically fighting one-armed in that fight. Is that correct?

Mr. McGIRT. Yes, it is.

Senator McCAIN. There were numerous stories in the media prior to that fight that you had a damaged shoulder. Is that correct?

Mr. McGIRT. Yes.

Senator McCAIN. And you chose to go into that fight, and the outcome of that fight was that you were unable to perform to your fullest capability, and you took a lot of punishment because of the fact that you were incapacitated to some degree. Is that correct?

Mr. McGIRT. I didn't take any punishment; I wouldn't say that. I think I did pretty good fighting with the conditions I was under.

Senator McCAIN. Well, I think you did magnificently—

Mr. McGIRT. Thank you.

Senator McCAIN [continuing]. But the fact is you took more punishment than you would have if you'd had the use of your other arm.

Mr. McGIRT. Oh, most definitely, but that all came from—you understand I had two MRIs done, and three doctors read the MRI, and they all told me all I had was tendinitis. So if I have three doctors who are supposed to be professionals and know what they are doing, saying, "It is tendinitis; you can do it," I've got to take their word on it. But after the fight, we found out it was more than that, so before the fight, Al had sat me down and said, "Buddy, look, if you hurt, don't go through with this fight, because your title means everything to you; you worked hard to get there."

But I looked at it in the aspect that I've worked hard for 11 years to get where I've gotten. Previous to the Pernell Whitaker fight and the Simon Brown fight where I finally made money, the 9 years before that, nobody gave me nothing. I worked hard to get there. So if a doctor tells me I had tendinitis, I wasn't going to turn down the opportunity. I had to take the chance. And I told Al, "Look, my arm feels good. I'm going to do the best I can. I'm going in there and give it all I got." And unfortunately, my arm didn't

hold up. After the fourth round, it went on me, and I was really concerned. At one time, he wanted to stop the fight, but by me being a fighter and a champion, I said, "Look, Al, I gotta go out there and do what I gotta do."

So it's like no one forced me into doing it. The decision I made was my own.

Senator McCAIN. Mr. McGirt, I understand exactly what you are saying, and I watched you say that on television. But let me tell you the appearance here. The word is out all over that Buddy McGirt has a very badly damaged shoulder—that was carried in the media, it was talked about before the fight started—and yet there were, quote, three doctors who gave you MRI. Those doctors were wrong, weren't they?

Mr. McGIRT. Yes. We found that afterwards.

Senator McCAIN. OK. Those doctors were wrong.

Mr. McGIRT. Right.

Senator McCAIN. It's a little bit like some other professions—you can kind of shop around. And I think the fact is that if you had gotten the right kind of diagnosis—because of what happened during the fight, if you'd gotten the proper diagnosis that you wouldn't have been in that fight, at least at that time.

Mr. McGIRT. But these were orthopedic surgeons. The doctor who discovered the injury, Dr. Orcheck, he said that it's a very hard injury to find. As a matter of fact, when he read the MRI, he just said that I had a tear, but when he opened me up, he said it was worse than that. So even he couldn't really diagnose it, and from what I hear, he's the best.

So you've got to understand, you know—you have to put yourself in the fighter's position—when you work hard all your life, and you see other fighters getting the big breaks, and you know deep down in your heart that you're better than they are, and you're breaking your back and your butt every day to get there, and you're right there, and all they tell you is you've got tendinitis, you have to take that chance sometimes. Sometimes you have to do things you don't want to do to get what you want in life. And this was my chance, and I had to take it.

Senator McCAIN. Mr. McGirt, I fully understand and appreciate what you did. I believe that almost any person of your caliber and proven courage would do exactly the same thing. I don't think it was your responsibility. I think it was somebody else's responsibility to give you the kind of examination, and I happen to believe the state of the art of medicine is that they could have detected that, and I believe that what is required in boxing is the kind of examination which would have told you that the risk of re-injuring—or injuring, depending on—was very great and that you should wait.

I also understand that part of the motivation is what is your chance to get a big fight with that kind of purse and that kind of publicity if you have to step back. And there have been times, as you and I know, that fighters have had to cancel fights and never had the opportunity again.

Mr. McGIRT. But if you have three orthopedic surgeons that tell you it's tendinitis, three different ones, you have a tendency to believe that the doctors are supposedly right, because they are doctors, and that's their job. And they're reading the MRIs, and

they're telling me, "Buddy, this is what it is, it's only tendinitis," and they show me the MRIs. And Dr. Orcheck read the same MRIs that they read, and he detected it. So it was a case of listening to these three doctors and doing my therapy, and then I got examined a week before the fight by the commission doctor—he examined me, also. And I told him myself that the week he examined me was my best week. That was the week that my arm felt the best.

Senator McCAIN. Well, Mr. McGirt, the fact is—and this is the appearance, as I said—you had an injury. The boxing commission decided that you—did you not let the New York commission doctor see your medical records before the fight?

Mr. McGIRT. They had access to everything if they wanted it. My mind was just on the fight. They had the doctors' names that had everything. All they had to do was call the doctors. Now, whether they did that, I can't say; I don't know if they did that or not.

Senator McCAIN. OK. Look, I understand exactly what you're saying, and I understand your response, but I happen to believe that if we'd had the proper kind of oversight of your business that it would have spared you from having this kind of sequence of events that you went through, because I'm sure you still believe that you would have won that fight if you'd had the proper use of both arms.

Mr. McGIRT. Most definitely. I know in my heart—now that my arm is fixed and I've had the surgery, I know that if my arm was better, I would have knocked him out. But it's too late now. That's dead and gone. So now I've got to think ahead and just focus on getting my title back, getting my career back on track.

Senator McCAIN. What we are trying to do in this legislation that Senator Roth and Senator Nunn have been involved in for a long time now is to put in the kind of safeguards that would prevent a recurrence of what happened to you, Mr. McGirt. And organized crime is one part of this issue. There is story after story of boxers who have fought with injuries, some that are horrendous stories, who were not physically prepared to fight and were severely injured or even killed in the ring because we don't have the proper oversight.

I don't expect you to agree with that, but those are facts.

Mr. McGIRT. But you also have football players who play with broken ankles and broken hands, broken thumbs; they play, also, and they shoot up certain drugs to withstand the pain, whereas as fighters, we can't do that. We have to take drug tests. We have to go in there and fight with the pain. So if that's the case for boxing, it should be like that with all other sports, shouldn't it?

Senator McCAIN. I certainly agree with you, Mr. McGirt, but I would think that for the numbers of people who are contestants, and the deaths and serious injury that have resulted by the nature of your sport, you would find it far, far overshadows any other athletic event.

I thank you, Mr. Chairman.

Thank you, Mr. McGirt.

Mr. McGIRT. Thank you.

Chairman NUNN. I'll yield to Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

Mr. McGirt, I was going to ask some questions similar to the questions that Mr. McCain asked you. I, too, am an admirer of your skills; I have watched you fight a number of times.

Mr. MCGIRT. Thank you.

Senator DORGAN. I have watched Iran Barkley fight a good number of times. And I know that the two of you who come to testify here as champions or past champions of the sport are people with extraordinary skill who have risen to the top of that sport.

You probably well know that as you came up, you were club fighting opponents—people who are never going to get near your level in boxing. These people are paid \$100, \$200, or \$500 for a club fight someplace, knocked out on a Friday night in one city; an opponent to be knocked out—

Mr. MCGIRT. I've never fought in one like that. I mean, every one, from my first fight on, have been tough fights. You can check the record books and check them out. That's one thing that Al says, "I've got to see if you can fight." So I always rose to a higher level each fight. If the opponent didn't live up to his capabilities—sometimes they get stage fright—like, I've beaten fighters who have come back to beat top 10 guys. So I wouldn't say that—

Senator DORGAN. Well, I wasn't speaking specifically about your situation except to say that a very small percentage of boxers are going to rise to become world champions or to be part of the top 10 in the organizations. Many of the boxers are going to be in unprotected club fight situations, being paid \$200 and knocked out—I don't know whether you know a guy named "Mouse"—

Mr. MCGIRT. Well, I only received \$200 my first pro fight.

Senator DORGAN. But the point is, with no safety standards, no health standards essentially, no central registry of boxers, it is really the only professional sport left in which the boxer is left unprotected.

You could fight as a boxer tonight in New Jersey and show up tomorrow night in Montana and be knocked out in both States, and fight under two different names, and nobody is going to know the difference. And the point that Mr. McCain was trying to raise is that part of this is about corruption, and part of it is about safety. We are trying to see if we can't do something to protect a legion of boxers out there who are never going to be champions, but who are going to get beaten and battered for a few hundred bucks and be opponents all their lives, working in unsafe conditions and ending up with zero—no money, nothing but heartache and physical troubles.

I was going to ask the same kind of questions as Mr. McCain did. I read the day of your fight in the newspaper here in Washington, D.C. of your shoulder problems. I also watched your fight against Simon Brown, who is a terrific fighter, really a world class, terrific fighter, a great champion. You beat him. And then you fight another great fighter in Pernell Whitaker. A newspaper story on the day of your fight says you've got serious shoulder troubles. Well, part of what I read in the newspaper isn't true as well, so who knows what you read and what is true. But it turns out you go into the ring that night. And I think Senator McCain is sort of asking the question under what kind of financial pressure.

You went into the ring that night, and you did have shoulder trouble, and Mr. Whitaker won. You had an operation a couple of weeks later, and a newspaper article at that time said: "Certo is alleged in one press report to have dissuaded McGirt from seeing a private physician about his shoulder prior to the fight." I'd like to ask you about the veracity of that. Certo was quoted as saying: "Before the fight, I had the injury. I've still got the injury and a million bucks."

Do you know of the veracity of that statement?

Mr. MCGIRT. No, I don't, but you have to know Al in order to—certain statements he makes, you have to know him. Sometimes, Al will make a statement, and the reporters—and nothing against the reporters back there—but they will switch it around to make it seem derogatory, because of the way that I went into the fight with my injury; do you know what I mean?

But all along, if they would have been with me in training, they would have seen the other side of Al Certo, where every day, he would call me up to see how I was doing, and he would watch every movement I made. If I squinted my eyes, his theory was: "What's wrong? What did you hurt? What did you do? What's wrong? I'm going to pull out of the fight. I'm going to do this." And I would say, "No, Al. Don't worry. I'm going to be OK."

So whatever was said, I can't say if he said that or not, but by knowing Al, sometimes Al makes crazy statements, but that's the relationship we have.

Senator DORGAN. What were the consequences to you of pulling out of this fight if you felt you were injured? If you had decided, "I'm not 100 percent. I owe the people 100 percent to go in against a guy like Whitaker. I'm going to pull out, and we're going to do a rematch when I'm 100 percent." What would the consequences of that have been to you?

Mr. MCGIRT. Me, personally, my personal feeling was that this was my chance. It was here. I had been over so many obstacles to get to where I could get that big fight. I didn't think much of Whitaker, and I still don't think much of Whitaker. And I said, now, if my arm can hold up for at least 5 or 6 or 7 rounds, I can beat this guy. That's the confidence I had in myself. But unfortunately, by being misdiagnosed by the three doctors, the injury was worse than they all expected and what I expected, and after the fourth round, I had no use of my left arm.

And nothing was really guaranteed. So if they would have seen the injury, they would have said I have to wait 6 months before I could fight again.

Senator MCCAIN. Senator Dorgan, could I interrupt? Did you just say that you thought maybe it would only last 5 or 6 rounds?

Mr. MCGIRT. No. I said if my arm could hold up for 5 or 6 rounds, I could beat this guy, because after that, my plan was to go to 5 or 6, and then after 6 rounds start using my hook. That was my plan. Al said, "Use the hook early." I said, "Al, no. I've got to get through the first 5 or 6 and use my hook afterwards." That was my plan.

I was trying to hook after that, but it didn't register. It registered from my brain to this part, but the rest of the arm didn't register.

Senator DORGAN. Let me ask another type of question. I appreciate your responses so far, but they do raise a lot of questions about the regulation of the sport and the health consequences to the participants. And you are right—football players will play with a cast. It is also true that a baseball pitcher with your injury may not be pitching for a full year.

But let me ask another question, Mr. Certissimo, and perhaps Mr. McGirt, you might also respond to this. The previous witness discussed going to Las Vegas and, on behalf of a fighter—Snipes, I think—trying to get Snipes a higher rating from one of the boxing organizations so that they could make a proposed fight more marketable. He discovered with one of the boxing organizations through his contacts, that, “Yes, we could get him ranked or rated in the top 10. It would cost \$10,000. Maybe for the Gotti family, we’ll do it for \$5,000.”

I’d like to ask if either of you have any knowledge of how fighters are ranked by the three or four organizations out there that are doing the ranking. Do you have any suspicion that there is money changing hands under the table for better rankings in order to market these fights?

Mr. CERTISSIMO. Well, I could say “I think”; I really don’t know. I really don’t know. If there was an incident where I’d heard it or I’d seen it, I would tell you.

Mr. MCGIRT. I had to fight everybody to get to the top, so if they wanted \$10,000, we didn’t have it. The cookie jar was empty.

Senator DORGAN. Tell me, Mr. McGirt, what role have the boxing organizations played in your life? They are a mysterious, sort of interesting group—

Mr. MCGIRT. I feel the same way you do, and in my eyes, they are still mysterious, and I’m a two-time world champion.

Mr. CERTISSIMO. They still are; I agree with you.

Senator DORGAN. Well, they have an enormous influence on your life in the sense of how they rank you, who you are able to fight, and so on, and whether the fight is marketable. And I don’t understand very much about the WBO, WBA, WBC. I have asked one of them for some information about who they are, how do they operate, what do they do, and I’ve never even gotten a response, not even a letter saying “Thanks for your inquiry.”

Mr. MCGIRT. When I lost the title, I got dropped to like No. 12, and I had to have 19 fights before I got another title fight, 20 fights; where some guys lose the title, and the next fight or two fights later, they get a title fight. So I can’t really say what happened. I know that for me, it hasn’t been too good.

Senator DORGAN. Why do you think that happened to you?

Mr. MCGIRT. Maybe they don’t like the way we dress, or they don’t like the way my manager makes suits; I don’t know.

Senator DORGAN. May there be some other reasons?

Mr. CERTISSIMO. There could be other reasons, but we don’t really know. Senator, you got so many organizations out there, and in my eyes, they’re all full of baloney. All they’re doing is taking money off the American people and the American fighter. But let’s get rid of these guys, OK? Instead of having 150 champions, let’s have just 12; let’s get rid of him, and we’ll get rid of all those jobs. I mean,

that's what it's all about. The American public likes to be fooled. I don't even know who is the champion half of the time myself.

Senator DORGAN. Which organization sanctioned the last bout with Whitaker?

Mr. CERTISSIMO. WBC.

Senator DORGAN. And what was the cost that was paid to the WBC for that bout; can anybody tell me?

Mr. CERTISSIMO. Mr. Goodman would know. I think it's 3 percent. I'm not—

Senator DORGAN. Three percent of the gross is paid to the organization?

Mr. CERTISSIMO. No; the gross of our purse.

Senator DORGAN. I understand.

Mr. CERTISSIMO. I believe that's it; I'm not too sure.

Senator DORGAN. Senator Roth has done, I think, an excellent job in putting together a series of hearings to explore the role of organized crime in boxing. We do know from history that there has been an enormous role of organized crime in boxing back in the early years. The question is, what has happened in recent times? I commend Senator Roth for the work he has done on this, and I know there are a number of other questions in the line of questioning that he was pursuing that he wants to complete. I have a Democratic Caucus I am supposed to be at, so let me yield back the time and thank the Senator.

Senator ROTH. Thank you very much, Senator Dorgan.

I have a few more questions I'd like to ask you, Mr. McGirt. Did anyone ask you to attend the trial of John Gotti?

Mr. MCGIRT. Which trial is this?

Senator ROTH. Of John Gotti.

Mr. MCGIRT. Which trial?

Senator ROTH. The last one.

Mr. MCGIRT. The last one, no. I went to one trial in 1989, I believe, when he was on trial.

Mr. D'CHIARA. One day. Not the whole trial.

Mr. MCGIRT. Right; I went one day.

Senator ROTH. And who asked you to attend that trial?

Mr. MCGIRT. Stuart Weiner.

Senator ROTH. Did you in fact attend the trial?

Mr. MCGIRT. Yes, I did.

Senator ROTH. Did you talk to John Gotti at the trial?

Mr. MCGIRT. Well, what happened was I was in the city, and Stuart had beeped me and asked me to come there. And I went to the trial first, and there was a long line, so I left, and he beeped me again—I was in the city shopping—so I went back, and they were having a break, and I was standing outside, and Gotti happened to be walking out, and I was standing against the wall, and he came over and wished me luck in the future and told me he thought I was a good fighter. And then after that, a reporter came over and asked me what did he say, and I repeated the same thing.

Senator ROTH. Why did you go to the trial?

Mr. MCGIRT. Because Stuart had asked me to come, and when he had beeped me, I was already in Manhattan.

Senator ROTH. Well, did you know who John Gotti was?

Mr. MCGIRT. Well, everybody knew him. I mean, every time you'd pick up the paper, he was on the front page, and every time you'd look at the news. But Stuey asked me because, he said, "You can come along. He's a friend of mine." I said, "No problem. I'm in the city." But if I was on Long Island, I would have said, "Stuey, you've got a little problem. I'm not going."

Senator ROTH. So you did it as a favor to Stuart?

Mr. MCGIRT. Yes. But I really wanted to see Bruce Cutler, because I think he's a good lawyer.

Senator ROTH. Now, Mr. Gravano has testified that you and Al Certo were present at the Ravenite Social Club on at least one occasion. Have you ever been to the Ravenite Social Club?

Mr. MCGIRT. Yes, but not with Al Certo.

Senator ROTH. Whom were you with?

Mr. MCGIRT. Stuart Weiner.

Senator ROTH. Do you know Eddie Sciandra?

Mr. MCGIRT. I would have to see a picture of him. I can't really—I can't see too good on that picture there.

Senator ROTH. Scott, will you hand him the photo?

[Staff handing photograph to Mr. McGirt.]¹

Mr. MCGIRT. If this is the guy, I met this guy back in 1986, but he introduced himself as Eddie.

Senator ROTH. Under what circumstances were you introduced to him? Who introduced you to him?

Mr. MCGIRT. He introduced himself to me. I was at a wedding.

Senator ROTH. Where was the wedding?

Mr. MCGIRT. In Staten Island, I believe.

Senator ROTH. Had you heard that Mr. Sciandra is the acting boss of the Bufalino organized crime family, or that he is in any way connected with organized crime?

Mr. MCGIRT. Honestly, when he came to me, I thought he was an old drunk, to be honest with you. [Laughter.]

Senator ROTH. I think that's all the questions we have. We thank you, Mr. McGirt.

Next, I'll ask Mr. Certo a series of questions.

Mr. CERTISSIMO. Yes, sir.

Senator ROTH. Mr. Certo, you are currently the co-manager of—

Mr. D'CHIARA. Senator, could you wait until I shift over, so I can sit next to my client?

Senator ROTH. I think you can listen to the question while you walk over.

Mr. Certo, are you currently the co-manager of Buddy McGirt?

Mr. CERTISSIMO. Yes, I am, sir.

Senator ROTH. How long have you served as a manager?

Mr. CERTISSIMO. Oh, since—

Mr. D'CHIARA. As best you can recall.

Mr. CERTISSIMO [continuing]. As best I can recall, maybe the last 7 years or so, 6 years. I don't recall.

Senator ROTH. Are you currently licensed as a boxing manager in any State?

¹ Exhibit No. 48 appears on page 265.

Mr. CERTISSIMO. Yes.

Senator ROTH. Where?

Mr. CERTISSIMO. In New Jersey, New York, Nevada.

Senator ROTH. Have you ever been denied a boxing license in any State where you have applied?

Mr. CERTISSIMO. No.

Senator ROTH. In your deposition taken by the Subcommittee staff, you testified that Stuart Weiner is the co-manager of Mr. McGirt; is that correct?

Mr. D'CHIARA. Senator, again, could we please have the page and line number?

Senator ROTH. Well, let me ask you——

Mr. D'CHIARA. You are referring to his deposition testimony, and we have a right to know what page and what line you are referring to.

Senator ROTH. Page 39.

Mr. CERTISSIMO. Yes.

Senator ROTH. So is it correct that you and Mr. Weiner share in the management responsibilities of Mr. McGirt?

Mr. CERTISSIMO. Yes, sir.

Senator ROTH. Is it also correct that you and Mr. Weiner split the 33 1/3 percent manager's fee that's taken from Mr. McGirt's earnings?

Mr. CERTISSIMO. Yes, but it never comes to that amount. It's a lot less. My fighters always got the better part of the moneys.

Senator ROTH. To understand how this works, let me use a recent example. On March 6th, Mr. McGirt fought in New York for a million dollar purse; is that correct?

Mr. CERTISSIMO. That's right, sir.

Senator ROTH. What was the manager's share of the March 6th fight?

Mr. D'CHIARA. To the extent you know.

Mr. CERTISSIMO. To the best of my knowledge, there is expense that comes off the top, right off the top, and then after that, it becomes 33 1/3.

Senator ROTH. So all the expenses are taken out of Buddy's purse first; is that true?

Mr. CERTISSIMO. Off the top.

Senator ROTH. Off the top?

Mr. CERTISSIMO. Of the top of the million dollars.

Senator ROTH. How much did that amount to, roughly?

Mr. CERTISSIMO. I forget the full amount. I don't think we got a complete rundown. Stuart is still working on that because those bills are still coming in from credit cards or whatever. But anyhow, it's all there. Oh—how much of the money—I would say maybe——

Mr. D'CHIARA. Just an approximation.

Mr. CERTISSIMO [continuing]. I really don't know. Maybe \$200,000, \$250,000.

Senator ROTH. Expenses ran up to \$200,000, \$250,000?

Mr. CERTISSIMO. Yes.

Senator ROTH. What was the nature of those expenses?

Mr. CERTISSIMO. Well, first of all, let's go back to my counselor, Mr. D'Chiara. There was a time that negotiations were sort of broken down with HBO, and maybe there was a little strain taking

place, and I just ran out of gas. At a function where I was being honored as manager of the year, that's the very first time I met Mr. D'Chiara, and he calmed me down or whatever. And he said, "Look, let me see if I can still make this particular fight," that they had in mind, and I agreed for his service if he was able to put the—

Senator ROTH. Time is running out, and I'd like to ask a more specific question as to what expenses were involved.

Mr. CERTISSIMO. Oh, OK. Yes, I can break it down. OK. Mr. D'Chiara got \$50,000. Mr. John Williams got \$25,000. He's a fellow that works with me in the gym, and he is a companion of Buddy McGirt; he runs with him, he sees that he does the right thing early in the morning. And there's my cornermen—they got \$10,000 apiece—Mr. Milano and Mr. Howie Albert. And there is the expense of the hotels and the eating—it runs into money—sparring partners. It's all done by check.

Senator ROTH. And all that comes out of Buddy's purse?

Mr. CERTISSIMO. It all comes off the top, yes.

Senator ROTH. Off the top?

Mr. CERTISSIMO. Yes. And if you would see—that's why I can't understand—let me explain something, getting back to the checks—

Senator ROTH. Let me go on with the line of questioning.

Mr. CERTISSIMO. Anybody that worked for us, anybody, like our cornermen, they don't have the capability of cashing a check—like Mr. Williams, I believe, doesn't have the capability of cashing maybe a \$5,000 or a \$10,000 check—so we would make out a check to his name, and we would cash it for him, and we would deposit that check in the bank. That's the way we operated our business.

Senator ROTH. Now I'd like to go back to the line of questioning. Under your current arrangement, what did you and Weiner receive out of the March 6th fight?

Mr. CERTISSIMO. I don't know. Stuart didn't break it down. But I think we got \$126,000 apiece. I'm not too sure about that.

Senator ROTH. You don't know specifically?

Mr. CERTISSIMO. No, I really don't. I didn't get the countdown yet.

Senator ROTH. As I understand your deposition testimony, on page 40, all the money that Mr. McGirt earns goes directly into the checking account of a corporation called Alfred Certissimo, Inc. Is that correct?

Mr. CERTISSIMO. That's right, sir.

Senator ROTH. And do you control this company?

Mr. CERTISSIMO. Yes, I do.

Senator ROTH. And you and Mr. Weiner and Mr. McGirt are paid your shares of Mr. McGirt's purses from this account; is that correct?

Mr. CERTISSIMO. Yes, sir.

Senator ROTH. You testified at your deposition on pages 65 and 112 that Mr. Weiner has full check-writing authority with the Certissimo, Inc. account. Is that correct?

Mr. CERTISSIMO. What do you mean by "full authority"?

Senator ROTH. That he can write a check.

Mr. CERTISSIMO. Well, with my permission. In other words, the day of a fight, if we have to write a check for——

Senator ROTH. But the check doesn't require your signature, does it?

Mr. CERTISSIMO. No; no, it doesn't.

Senator ROTH. And you also testified that Mr. Weiner commonly writes checks to himself on the Alfred Certissimo account. Is that correct?

Mr. CERTISSIMO. Yes. He would write whatever he has coming to him, part of that 33⅓. He has that coming to him. He'll write a check for himself, or he will write a check for me.

Senator ROTH. Mr. Certo, you also testified at your deposition that Mr. Weiner determines how to divide Buddy McGirt's boxing earnings after a given fight. Is that correct? That's on page 65.

Mr. CERTISSIMO. No, that's not correct.

Mr. D'CHIARA. What line, Senator? I'd like to have the line reference on that, please.

Mr. RINZEL. Lines 15 through 17.

Mr. D'CHIARA. And where does it say that Stuey Weiner—could you just show us where you get that from?

Mr. RINZEL. The answer was: "Well, I gave him"—referring to Stuey Weiner—"the power to sign checks. In other words, when we have a fight, he has to pay the expenses for the restaurants or cornermen or whoever helped us out. If I'm not doing it, he does it. That's it. He makes out the breakdown maybe of Buddy's purse, what we get and whatever."

Mr. CERTISSIMO. Yes, right, whether it's him or me.

Mr. D'CHIARA. I think you have mischaracterized the deposition testimony.

Mr. CERTISSIMO. Yes, whether it's me or Stuey. I think that's what a partnership is; they've got to help each other. So if I can't do it, it's Stu Weiner.

Senator ROTH. In your deposition, you say, "He makes out the breakdown maybe of Buddy's purse, what we get and whatever." What do you mean by that?

Mr. D'CHIARA. If you read the sentence before that, Senator——
Senator ROTH. We'll ask the witness to respond.

Mr. D'CHIARA. Read the whole thing in context. Start here.

Mr. CERTISSIMO. OK. "In other words, what I'm trying to say, when we have a fight, he has to pay the expense for the restaurant or the cornermen or whatever help. If I'm not doing it, he does it. That's it. He makes out the breakdown of Buddy's purse, what we get and whatever." It's either me or him. And if he ever made a check more than what it was supposed to be, he'd hear it.

Senator ROTH. Mr. Certo, Bobby Goodman of Madison Square Garden paid Stu Weiner \$40,000 in cash as part of Mr. McGirt's purse for the Simon Brown fight in Las Vegas, Nevada. Were you aware of that cash payment?

Mr. CERTISSIMO. Yes. What Bobby does, he'll call me, or whether it is Pat Fleming, assistant matchmaker—"How much cash do you need?" And I would say we might need this much, or we might need that much, because cornermen have to go home with the money—every amount of cash money that we give out is made into

a check, and the person signs it, and we in turn deposit that in the bank.

Senator ROTH. Is it common to get payments—in this case, \$40,000—in cash?

Mr. CERTISSIMO. Oh, yes. Why not? Out of \$1 million—or, I believe we got \$750,000, \$800,000.

Senator ROTH. What was the cash used for?

Mr. CERTISSIMO. Well, you had to give moneys to the cornermen, sparring partners—the hotels, we had no expense with that—my own personal money, his personal money. Maybe we did a little gambling over there. It was our money.

Senator ROTH. Was it training money?

Mr. CERTISSIMO. No, it wasn't training money. It was moneys that were—

Senator ROTH. But you used the money for your personal gambling?

Mr. CERTISSIMO. No. I don't know if I ever lost that much to use that kind of money. But anyhow, what I'm trying to say is the \$40,000, you're looking for a breakdown—it's for the cornermen or whoever we need the money for. If you add it up, \$40,000, I believe Buddy—I don't know if you took \$10,000 or \$15,000, but it is all accountable. In other words, if we got \$800,000 for one particular fight, and that's the price, you would see that amount deposited or accounted for in the accounts.

Senator ROTH. But why would you take this money in cash?

Mr. CERTISSIMO. Because being in Vegas for 2 or 3 weeks, I'm sure nobody had money after a while. You might have needed it to go home with. Buddy always needs money. He probably, I think, took \$15,000—I'm not sure. Do you recall?

Senator ROTH. So part of the money was used for your expenses?

Mr. CERTISSIMO. Not my expenses. In other words, any moneys I took out of that \$40,000—if I took out \$5,000, that was \$5,000 that had to be deducted out of my share of the 33⅓ percent.

Senator ROTH. But that money could have been used for your personal expenses.

Mr. CERTISSIMO. Yes, or whatever.

Senator ROTH. Now, Mr. Certo, to your knowledge, is Mr. Weiner currently licensed as a boxing manager in any State?

Mr. CERTISSIMO. In any State?

Senator ROTH. Yes.

Mr. CERTISSIMO. I don't believe so, sir.

Senator ROTH. Isn't it true that Mr. Weiner is not involved in the traditional activities of a boxing manager?

Mr. CERTISSIMO. That's a good question. What are the traditional?

Senator ROTH. What would you say are the traditional activities?

Mr. CERTISSIMO. To make fights, to train the fighter. Here's a man with one leg. We got to be pretty friendly, and he's a decent guy. He was the one that brought me to Buddy McGirt from the original time. I just have a compassion for a person like that.

Senator ROTH. My time is up.

Senator McCain.

Senator McCain. No questions.

Senator ROTH. Senator Cohen.

Senator COHEN. Just one question, Mr. Certo. The staff testified earlier, and they have prepared a written statement that indicated that in the December 1991 Buddy McGirt-Simon Brown fight that you and Buddy McGirt signed two separate contracts with Robert Goodman. Is that—

Mr. CERTISSIMO. What do you mean by two separate contracts?

Senator COHEN. Did you sign two contracts with him concerning the McGirt fight?

Mr. CERTISSIMO. For that one particular fight? No. Just one.

Senator COHEN. One contract.

Mr. D'CHIARA. As best you recall.

Mr. CERTISSIMO. As best I recall, I think it was only one—one Nevada contract.

Senator COHEN. All right. That's what I was getting at. One Nevada contract.

Mr. CERTISSIMO. One Nevada contract, yes.

Senator COHEN. Tell me how that worked. The information that we had is that you filed in Nevada—a State that prohibits, as I understand it, option contracting—a contract that gave McGirt \$625,000 with no option for future fights. correct?

Mr. CERTISSIMO. OK. The original time that we were supposed to fight Simon Brown, we were down in Florida. After 3 weeks, I think, the fight was postponed. We had taken out \$75,000 for training expense, OK—I think it was \$75,000; I don't remember—and then the fight was postponed. And then the fight was put on again, I don't know, a month, 2 months, whatever. Whether we took additional money, I don't recall. OK. Now, the fight took place, and we won the fight. Bobby said to me, "Al, would you mind if I held back \$50,000 because it would make us"—something with the budget—"it would make us look good with Madison Square Garden." He felt that when the fight was made that they wanted \$100,000. We negotiated, and it went down to \$50,000, and that's what we agreed upon.

He said, "I'll hold back \$50,000 for bookkeeping purposes, and then on your next fight, I would give it to you."

I said, "No problem." There's enough money there. I don't think I waited that long, though. I started screaming I wanted my money, and then we got it.

Senator COHEN. What I was really concerned about was the contract that was filed in Nevada, Nevada prohibits option contracting; is that right? I don't know. I'm asking you.

Mr. CERTISSIMO. What do you mean by "option contract"?

Senator COHEN. Options for future fights.

Mr. CERTISSIMO. No, I don't think any State has that law.

Senator COHEN. Nevada does not have that prohibition?

Mr. D'CHIARA. To the best of your knowledge.

Mr. CERTISSIMO. It could have been—I don't know.

Senator COHEN. To the best of your knowledge.

Mr. CERTISSIMO. I really couldn't say.

Mr. D'CHIARA. Al's the manager, not the promotor. It's usually the promoter that takes care of that.

Senator COHEN. OK. He's in the fight business. He knows more than I do. I'm trying to find out.

So, to your knowledge, Nevada does not prohibit option contracting?

Mr. CERTISSIMO. I really couldn't answer that question.

Senator COHEN. OK. Was there a separate contract filed in New York which awarded McGirt \$625,000 plus \$75,000 in training expenses for the Brown fight?

Mr. CERTISSIMO. Yes, that was probably it.

Senator COHEN. OK. Did that include any option, to your knowledge, on five future McGirt fights?

Mr. CERTISSIMO. I don't know what took place there. If you want me to go back—

Senator COHEN. I just want you to tell me what you know. I don't want you to speculate.

Mr. CERTISSIMO. No, I really don't know what agreement was signed between him and Don King, or whatever.

Senator COHEN. Or Mr. Goodman?

Mr. CERTISSIMO. Or Mr. Goodman.

Senator COHEN. All right.

Mr. CERTISSIMO. I was told there was, I believe, five options he would exercise if he wanted to. That's all—but I never saw the contract.

Senator MCCAIN. Mr. Chairman, I do have one more question for Mr. McGirt.

Senator ROTH. Senator McCain.

Senator MCCAIN. Mr. McGirt, you've made several million dollars in your successful boxing career. I think that's correct, isn't it?

Mr. MCGIRT. Several million?

Senator MCCAIN. Yes.

Mr. MCGIRT. I don't know. I don't know where it's at if I did.

Senator MCCAIN. Well, I guess that's the point of my question. Do you have money—and you don't have to answer this question if you don't want to—but do you have some money saved?

Mr. MCGIRT. Oh, most definitely, yes.

Senator MCCAIN. So you believe you have been able to retain significant amounts of the money that you have earned?

Mr. MCGIRT. Oh, yes. What you have to understand is that I watch my money very carefully. I'm cheaper than free rent. Nothing comes by me without me seeing it. If they hand me a piece of paper that says "Miscellaneous," I want to know what "Miscellaneous" means. You just can't hand it to me and say, "Oh, Buddy, this is miscellaneous." I want to know what it means. And they keep track, and I keep track of everything—and if I don't, my mother does.

Senator MCCAIN. Thank you very much.

Thank you, Mr. Chairman.

Senator ROTH. Mr. Certo, are you aware that Mr. Weiner is named as a member of the Corozzo crew of the Gambino organized crime family in an indictment handed down by the Manhattan district attorney's office?

Mr. CERTISSIMO. I don't know who—I am not aware of anything like that—Gambino, Gamschmino, whoever these guys are. I know Stuey as a decent person, and that's as far as I know about Stu Weiner. We don't have any social things going on, but we are tight

when it comes to Buddy McGirt; we are totally in agreement. Anything for the better of Buddy McGirt.

Senator ROTH. Are you familiar with an individual named Joseph "JoJo" Corozzo?

Mr. CERTISSIMO. Well, the very first time that I believe I met Joseph Corozzo was when we were training—I don't know if it was the first or second time we trained down in Florida. That was the very first time I met him. That was the Simon Brown fight.

Senator ROTH. What year was that?

Mr. CERTISSIMO. That would be 1990.

Senator ROTH. Nineteen ninety. And who introduced you to Mr. Corozzo?

Mr. CERTISSIMO. Ninety-one. Excuse me. That was in 1991.

Senator ROTH. Nineteen ninety-one.

Mr. CERTISSIMO. Who—what—excuse me?

Senator ROTH. Who introduced you to Mr. Corozzo?

Mr. CERTISSIMO. Stu Weiner. He introduced me as his boyhood friend; they went to school together or something—I don't know.

Senator ROTH. Are you aware that Mr. Corozzo is an alleged soldier in the Gambino organized crime family?

Mr. CERTISSIMO. Did you hear mister whatever his name is say that I was an organized crime figure, too?

Senator ROTH. Yes. Would you answer—

Mr. CERTISSIMO. I don't know.

Senator ROTH. Would you answer my question, please?

Mr. CERTISSIMO. No, I didn't know anything like that.

Senator ROTH. You are not aware of that?

Mr. CERTISSIMO. I am not aware of it. I've seen it in the papers, and that's as far as I know.

Senator ROTH. Have you and Mr. Weiner ever discussed Mr. Weiner's relationship with Mr. Corozzo?

Mr. CERTISSIMO. Well, naturally, he talked about his friend, that he was a very close friend; they grew up together.

Senator ROTH. Did Mr. Weiner's relationship with Mr. Corozzo concern you?

Mr. CERTISSIMO. Not at all. [Pause.] Why doesn't Mr. Rinzel ask me the questions?

Senator ROTH. Mr. Certo, have you ever visited the Ravenite Social Club?

Mr. CERTISSIMO. Not to my knowledge.

Senator ROTH. Are you denying ever having visited it?

Mr. CERTISSIMO. No, I was never in the place, no.

Senator ROTH. You were never in the place?

Mr. CERTISSIMO. No.

Senator ROTH. All right. Thank you, Mr. Certo.

Mr. CERTISSIMO. Thank you.

Mr. D'CHIARA. Can we leave now, or do you want us to stay?

Senator ROTH. Yes. Mr. Certo and Mr. McGirt, if you want to leave, that's satisfactory.

Mr. CERTISSIMO. Thank you, sir.

Mr. MCGIRT. Thank you.

Mr. D'CHIARA. Thank you, sirs.

Senator ROTH. Mr. Weiner, would you please state your full name?

Mr. WEINER. Stuart Weiner.

Senator ROTH. Would you introduce your counsel once more?

Mr. WEINER. Edwin Schulman.

Senator ROTH. Mr. Weiner, are you familiar with an individual named Joseph "JoJo" Corozzo?

Mr. WEINER. At this time, Senator, there is an indictment pending in the State of New York, naming me as an unindicted co-conspirator, alleging that I am a member and/or associate of an organized crime family.

Based upon this circumstance, I respectfully refuse to answer any further questions and assert my Fifth Amendment privilege.

Senator ROTH. Are you aware that Mr. Corozzo is a soldier in the Gambino organized crime family?

Mr. WEINER. I assert my Fifth Amendment.

Senator ROTH. Mr. Weiner, are you currently the co-manager, along with Al Certo, of boxer James "Buddy" McGirt?

Mr. WEINER. I assert my Fifth Amendment.

Senator ROTH. Mr. Weiner, are you currently licensed as a boxing manager in any State?

Mr. WEINER. I assert my Fifth Amendment.

Senator ROTH. As I understand Mr. Al Certo's testimony, you are entitled to a 15 percent share of Buddy McGirt's purse. Have you ever made any payments from Buddy McGirt's purses to "JoJo" Corozzo?

Mr. WEINER. I assert my Fifth Amendment.

Senator ROTH. Did you ask Buddy McGirt to attend the trial of John Gotti as a personal favor to you?

Mr. WEINER. I assert my Fifth Amendment.

Senator ROTH. Mr. Weiner, do you intend to invoke your Fifth Amendment rights in response to all other questions here today?

Mr. WEINER. Yes, sir.

Senator ROTH. Well, we are disappointed that you have not chosen to answer our questions, but under the circumstances, you are excused.

Mr. WEINER. Thank you, Senator.

Senator ROTH. Our next witness is Edward Sciandra. Mr. Sciandra, if you would please come forward.

Mr. Sciandra, if you would remain standing and raise your right hand, please. Do you swear the testimony you will give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCIANDRA. I do.

Senator ROTH. Please be seated.

TESTIMONY OF EDWARD SCIANDRA

Senator ROTH. Mr. Sciandra, do you have a prepared statement, or a statement to make?

Mr. SCIANDRA. No, I don't have a statement, Senator.

Senator ROTH. Mr. Sciandra, would you please give us your full name?

Mr. SCIANDRA. Edward Sciandra.

Senator ROTH. Mr. Sciandra, are you a member of, or have you served as acting boss of the Bufalino organized crime family?

Mr. SCIANDRA. I respectfully decline to answer on the grounds that my answer may tend to incriminate me.

Senator ROTH. Mr. Sciandra, Mr. Gravano's testimony indicated that you at one time owned a financial interest in professional boxer James "Buddy" McGirt. Is this correct?

Mr. SCIANDRA. I respectfully decline to answer on the grounds that my answer may tend to incriminate me.

Senator ROTH. Mr. Sciandra, did you acquire an interest in Mr. McGirt directly from Mr. McGirt or through one of his co-managers, Al Certo or Stuart Weiner?

Mr. SCIANDRA. I respectfully decline to answer on the grounds that my answer may tend to incriminate me.

Senator ROTH. Mr. Gravano testified that you and "JoJo" Corozzo had a dispute as to which one of you was entitled to an interest in Buddy McGirt's earnings. Is this true?

Mr. SCIANDRA. I respectfully decline to answer on the grounds that my answer may tend to incriminate me.

Senator ROTH. Mr. Gravano has identified a videotape of himself leaving the Ravenite Social Club with you and Mr. Corozzo. Mr. Gravano has testified that the three of you had been discussing the dispute between you and Mr. Corozzo over Buddy McGirt's earnings. Do you recall this meeting?

Mr. SCIANDRA. I respectfully decline to answer on the grounds that my answer may tend to incriminate me.

Senator ROTH. Mr. Sciandra, do you intend to invoke the Fifth Amendment to all of the Subcommittee's questions?

Mr. SCIANDRA. Yes, Your Honor.

Senator ROTH. In that case, you are excused at this time.

Mr. SCIANDRA. Thank you, sir.

Senator ROTH. Our next witness is Robert Goodman. Mr. Goodman is vice president of Madison Square Garden Boxing. I want to thank Mr. Goodman for his willingness to assist the staff in the course of its investigation and for his testimony here today. He knows a great deal about both the promotion and broadcasting of boxing today, and we look forward to his testimony.

Mr. Goodman, would you please remain standing and raise your right hand? Do you swear the testimony you will give before this Committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. GOODMAN. I do.

Senator ROTH. Thank you. Will you please be seated and introduce your counsel?

TESTIMONY OF ROBERT GOODMAN,¹ VICE PRESIDENT, MADISON SQUARE GARDEN BOXING; ACCOMPANIED BY KEN MUNOS, GENERAL COUNSEL FOR MADISON SQUARE GARDEN

Mr. GOODMAN. Yes. With me is Ken Munos. He is the general counsel for Madison Square Garden.

Senator ROTH. Do you have a prepared statement, Mr. Goodman?

Mr. GOODMAN. Yes, I do, sir. I think everybody has a copy of our statement which we prepared. I intend to read part of it.

¹ The prepared statement of Mr. Goodman appears on page 158.

Senator ROTH. Please feel free to summarize, and we will include your statement in the record in its entirety.

Mr. GOODMAN. Thank you.

My name is Bob Goodman, and I am vice president and matchmaker for Madison Square Garden Boxing. Since we hosted our first fight involving John L. Sullivan nearly a century ago, the Garden has been an upstanding and conscientious member of the boxing community.

To ensure our ability to continue to bring fights to the people of New York City and other places around the world, we have served as a promoter of boxing events in addition to our role as a world class venue for boxing contests.

We are a promoter in the classic meaning of the term—we arrange matches and promote them. To facilitate our role in this endeavor, we enter into exclusive, long-term promotional agreements with some fighters. In these contracts, which are common and essential to the boxing industry, the promoter receives promotional rights while providing the boxer with financial consideration and guaranteed minimum purses with respect to future bouts. These contracts benefit both the athletes and the promoters. They are universally recognized as essential vehicles by which fighters are able to develop their skills in a manner that will assure them fair compensation while at the same time providing the promoter with a fair opportunity to generate a return from its risk-intensive business.

We serve sole as a promoter and venue for professional fights. Our relationship with boxers is arm's-length, proper, and legal. None of the concerns that have been expressed about promoter conflicts of interest at previous hearings apply to Madison Square Garden. We do not manage, train, or provide financial advice to fighters with whom we deal.

As previously communicated to Senator Roth by Robert Gutkowski, president of Madison Square Garden, my company supports the creation of a Federal Boxing Commission to establish uniform national regulations to govern the sport of boxing.¹ We believe that the establishment of uniform standards can help protect the health and safety of professional fighters. At the same time, more effective regulation of boxing should inure to the benefit of the many honest individuals and companies involved in boxing by improving public confidence in the conduct of the sport.

Because our views are similar to those expressed before this Subcommittee by Mr. Abraham of HBO Sports and Mr. Aresco of ESPN 3 weeks ago, we will not cover the same ground in the interest of time.

I personally and Madison Square Garden as a company have at all times acted forthrightly and sought in good faith to fully comply with all applicable regulatory provisions of the various States in which we promote fights. We have also cooperated fully with this Subcommittee and hope we have assisted your investigation.

¹ Exhibit No. 24 is retained in the files of the Subcommittee.

I need not repeat the specific items in my statement, which I believe you have, regarding Buddy McGirt. I am prepared to answer any questions that you may have concerning that.

Let me just for the record note that I have been in boxing for many years—all my life, I have been a boxing degenerate, so to speak, with my dad being in boxing. I was brought up in the training camps with the greats like Joe Louis and Ray Robinson and Marcel Surdan. I truly love the sport. The sport is my life, it is my business, and I am prepared to answer your questions.

Senator ROTH. Thank you, Mr. Goodman.

As you pointed out, I have received a letter from Robert M. Gutkowski, president and chief executive officer of Madison Square Garden, in which he endorses the need for a Federal Boxing Commission.

Let me ask you this, Mr. Goodman. As one who, as you say, loves the sport and is as much involved as anyone, why do you think boxing has been unable to regulate itself as other sports do? Do you believe a Federal commission can work with the State commissions to improve the regulation of boxing?

Mr. GOODMAN. Well, Mr. Roth, something that is vitally needed in the sport of boxing today is uniformity—certainly, within the regulations and rules of the sport, within the medical standards, within the cooperation and reciprocation between States, the forms of proper identification and boxing passports. And it has been tried by many others before, and we can't even get some of the States to cooperate with each other, no less cooperate as a Nation for the good of the sport. So I think this is direly needed in our sport today, and welcome by most of the people who really care about the sport.

I don't know what we can do regarding the world bodies of boxing, the sanctioning bodies of boxing, because we are proposing a national organization. That would have to be something that could be worked out. There are pros and cons on the sanctioning bodies. Certainly, world bodies need some form of legislation and some rules and regulations and some form of rating system in order to move their way up the line and become a champion. But I am all for and am willing to participate in any of your efforts to form a national commission. I have had some meetings with Congressman Richardson on the same subject.

Senator ROTH. I appreciate your interest and willingness to assist in the effort. Let me ask you this. As you, I think, heard in earlier testimony, the large purses are attracting an unsavory element. Do you think a commission could be helpful in addressing this and other problems?

Mr. GOODMAN. Absolutely—certainly with regard to fights held in the United States.

Senator ROTH. You mentioned the international organizations. Let me ask you this. In boxing, particularly due to the importance of U.S.-based television revenues, won't that give us some handle on regulating these international bodies as well?

Mr. GOODMAN. Well, it may, but for an example, today, with the exception of maybe HBO and Showtime and some rare pay-per-view events, the television market is much greater outside the United States than it is here in the United States today.

I just did a world championship fight involving one of my other champions, Tracy Patterson, the son of Floyd Patterson, on ABC. It was a wonderful fight, a wonderful fight, in Poughkeepsie, New York, on the day of a blizzard. People showed up, and ABC raved about the event, and yet our entire fee from ABC television, which was a nationally-televised event, was only \$75,000 or \$76,500.

It is very difficult to put together world championship fights with that kind of money coming from network television, who also do far too few fights today. Very rarely is network television now doing fights.

But overseas, if I chose to take Tracy Patterson overseas to defend his title in France or Italy or maybe to the Orient, Tracy Patterson might receive a purse of \$175,000 to \$200,000, because television—

Senator McCAIN. Why didn't you?

Mr. GOODMAN. Because Tracy chose not to. He went over to defend his title in France, retained his title on a draw, but he felt very uncomfortable being away from home and asked me to please try and work it out with him to put his next fight here. We did that, and I sat down with Tracy and Floyd, and we made Tracy a partner in promotion and tried to maximize his revenues—in his home town of Poughkeepsie; it is very close to his home.

Senator ROTH. Senator McCain.

Senator McCAIN. Thank you, Mr. Chairman. I agree with you, the Patterson fight was one of the best that I have seen in a very long time—in a very, very long time—on network television.

Mr. GOODMAN. Thank you.

Senator McCAIN. Someday, you can come back, and we can discuss the impact on the American people of having to "pay-per-view" many of these very outstanding fights—but that's an issue for another day.

Did you not know that there was a regulation in Nevada that prohibited the so-called option contract?

Mr. GOODMAN. Well, regarding the option contract, first of all, I am of the position that we have entered into an exclusive promotional agreement with James "Buddy" McGirt, going back some 6 or 7 years ago, and it's a long-term agreement, and we have since renewed it 2 or 3 times.

It is generally known throughout the business, including in the State of Nevada, that all boxers who fight major fights and all champions who defend titles in the State of Nevada have option contracts or long-term agreements with somebody or with some promoter. It is just a standard business practice that everyone is aware of. I have promoted events in the State of Nevada, and they license me, and I am still a member in good standing in the State of Nevada. And that was just one event that we were doing in Nevada. If that meant that we were in violation, then it would appear that if Buddy McGirt were offered a fight in the State of Nevada, I would have to say, "Gee, Buddy, we're going to fight in Nevada. I have to break our contract, and we are no longer exclusively involved with each other before we can fight"—and that's ludicrous, that's absurd.

Senator McCAIN. But Mr. Goodman, it really didn't happen that way. My understanding from your statement is that you did have a

long-term contract with him. You were in Nevada, and according to you—and I am very curious about how these pressures were brought to bear—"Don King made repeated requests for evidence that MSG had the right to promote, and thereby to grant co-promotion rights, to Mr. McGirt's next five matches. In the hectic days, and under the intense pressure of pre-fight activities, I decided that the five-bout provision in the New York contract should be entered into with the thought that it could be shown to Mr. King and thus allay his concerns."

You already had a contract with Mr. McGirt, right, a long-term contract with him?

Mr. GOODMAN. Yes, I had a long-term promotional agreement.

Senator McCAIN. So you signed another one.

Mr. GOODMAN. King had asked me on repeated occasions to show him where he was protected with his five option bouts. Even though Don King and I had a contract, the nature of the promotional agreement between Buddy McGirt and myself was none of Don King's business.

Senator McCAIN. Do you mean you couldn't just say to Mr. King, "Look, I've got a contract. We're having a fight. Take a hike"?

Mr. GOODMAN. That's what I eventually did, Mr. McCain, and—

Senator McCAIN. No, you didn't. You signed another contract.

Mr. GOODMAN. I signed the contract with Buddy McGirt and Al Certo and decided at the zero hour that I didn't have to do this; I shouldn't have done it. I didn't present it to Mr. King, didn't show him the contract. It remained in our file. That's why—

Senator McCAIN. But the fact is you did sign another contract.

Mr. GOODMAN. I did sign a contract, yes, and I did not file it with anybody.

Senator McCAIN. So frankly, Mr. Goodman, there is a difference between having a so-called option contract that's ongoing when a fighter fights in the State of Nevada, and another thing to have a contract and then sign another contract—

Mr. GOODMAN. I still didn't believe that this violated Nevada law, because we were concerned with one particular fight.

Senator McCAIN. Have you found out since that it was in violation?

Mr. GOODMAN. No. My position is that no, I don't believe that violates Nevada law.

Senator McCAIN. I think we could get you someone from the State of Nevada who would say that it is. But let me delve a little deeper here.

It seems to me that this is an incredible display of power and influence on the part of Mr. King that would somehow motivate you to take an action of this nature. Can you describe a little bit the kind of power that Mr. King has in the boxing business?

Mr. GOODMAN. Mr. King does wield a great deal of power in the boxing business, that's true. As you are aware, I did work for Mr. King for a while. But the bottom line is I didn't ever show Mr. King that contract. I chose not to. I felt that the long-term promotional agreement that we had with Mr. McGirt was enough, and he would have to accept that, and my contract with Don King Production, where I guaranteed the services of McGirt's next five fights

that I would promote with Mr. King, was sufficient, and I never gave Mr. King a copy of the other contract.

Senator McCAIN. Mr. Goodman, I don't mean to belabor the issue, but according to the Nevada State Athletic Commission Regulations and Statutes, 467.112, "Contract between Promoter and Boxer," No. 3, "A contract which provides that a boxer must fight exclusively for one promoter or at his option is prohibited." I think the regulations are fairly clear there.

Reading from your statement, you said, "I decided that the five-bout provision in the New York contract should be entered into with the thought that it could be shown to Mr. King and thus allay his concerns. After executing the New York contract, I realized that as a means of addressing Mr. King's concerns, it served no purpose, in view of our long-term promotional agreement with McGirt."

Does that mean that Mr. King just dropped his repeated requests for evidence?

Mr. GOODMAN. No. First of all, Mr. King had only come in for a press conference and then ran off again to some other site unknown, and we had a few words, and King asked me about the five options, and I just said, "Don, I have an exclusive promotional agreement with Buddy McGirt that covers more than five bouts, and that's enough. I have guaranteed his services."

Senator McCAIN. But in your statement, Mr. Goodman, you say, "Don King made repeated requests for evidence that MSG had the right to promote, and thereby to grant co-promotion rights, to Mr. McGirt's next five matches."

Mr. GOODMAN. Well, I just didn't show him that.

Senator McCAIN. Did he make repeated requests?

Mr. GOODMAN. Yes.

Senator McCAIN. Had you heard of Mr. McGirt's injury before the fight that he had with Mr. Whitaker?

Mr. GOODMAN. Before the——

Senator McCAIN. Rumors that Mr. McGirt had——

Mr. GOODMAN. Before the Leone fight, or——

Senator McCAIN. Before the Whitaker fight.

Mr. GOODMAN. Yes, yes, yes. He had fought a fight for us in a mandatory defense with Genero Leone, where his left arm was very bad, and we at first tried to—the Whitaker fight was already made—and we sat down with HBO trying to look for an alternative date immediately following the Leone fight, before we ever held a press conference to announce the Whitaker fight, and we had sent Buddy for an MRI, and the MRI came back negative and that there was no tear and that it was tendinitis. Even then, we still tried to come up with a later date with HBO.

I went to the workout on a couple of occasions, and Buddy McGirt exhibited the fact that he could throw his left hand, his left hook. And with the pads on—and I think I was even quoted in Mike Katz' story in the *New York Daily News*, who happened to be at the gym that day in Jersey City—when the trainer had the pads, which are catch mitts, and he was letting McGirt go through combinations on the catch mitts, and he started really kicking with that left hook, and there was a snap and a pop, and it looked like

the McGirt of old, and out of exuberance, I just yelled, "Hallelujah." And Katz had that in the paper.

But we didn't stop at that. We asked Buddy to take another MRI. He was consulting with two doctors plus a chiropractor and a sports therapist. And every day, he went through his paces, and he didn't deter from the task at hand. And I had seen some of the work he was doing, tossing balls around and throwing things, and Seth Abraham of HBO called me, and he said, "Bobby, really, how is Buddy's shoulder coming along? I want to make sure it's OK." And I said, "So do I."

Al Certo and I had talked repeatedly about it, and I told Al that if Buddy's shoulder was not at a point where he could throw a left hook that I did not want to go through with the fight. The title was too important, and I said we will find another date for the fight, and if Whitaker goes away, so be it; we still have the world championship, and maybe we can seek a Chavez fight at the time. As a matter of fact, Don King had called at one point and said if you pull out of the fight, maybe we can talk about Chavez.

We asked the doctors to follow it closely. New York State Athletic Commission chairman Randy Gordon called me and asked if he could have Dr. Barry Jordan, his chief physician, go with him to examine McGirt extensively. This was about 10 days or so before the fight. We had our assistant in the office, my assistant, Carl Miretti, take them to McGirt's gym, where Dr. Jordan went through some extensive pressure-type tests with McGirt and manipulated the shoulder and watched him work, and he said that he felt it was a green light. He called me back, and he said, "Listen, we've done everything we could do to his shoulder to see if he could use it, and we think it's 100 percent."

Senator McCAIN. But the fact is that his shoulder was not well, and the fact is that he fought most of that fight with one hand.

Mr. GOODMAN. Absolutely.

Senator McCAIN. Thank you, Mr. Goodman.

Thank you, Mr. Chairman.

Senator ROTH. I'm going to call on Mr. Rinzel to ask some questions.

Mr. RINZEL. Mr. Goodman, I want to ask some questions about the \$40,000 cash payment after the McGirt-Simon Brown fight on November 28th, 1991 in Las Vegas. You did provide to us a copy of an undated memorandum from you to Al Certo, as I understand it, saying that you had provided \$40,000 in cash to Stu Weiner and that you had him sign a receipt indicating that it was part of Buddy McGirt's purse; is that correct? ¹

Mr. GOODMAN. That's correct.

Mr. RINZEL. Why did you provide that \$40,000 in cash, and how did that work?

Mr. GOODMAN. Well, as a matter of form throughout our bouts not only with Buddy McGirt, but with the other fighters, it is common, and it is very common in the business, for them to ask for a certain amount of the purse to be paid in cash, because many of the people who work with them—for example, sparring partners,

¹ Exhibit No. 33e appears on page 266.

trainers, cut men—and tip money to leave the hotel—many of the people who have been away from home for months, maybe 2 months at a time, needed some cash to go home with, and they wanted to be able to cash their checks for them. And it has just been something that we felt was always something we would try and accommodate them with, and in this case, we did.

Mr. RINZEL. Well, at one point you provided Subcommittee staff with a Madison Square Garden check made out to Al Certissimo, Inc.—

Mr. GOODMAN. Correct.

Mr. RINZEL [continuing]. For \$40,000 and you said that it was the receipt for the payment. But it turns out apparently, that check was never negotiated. What happened? Where is the receipt?¹

Mr. GOODMAN. Well, what we did with the \$40,000 check made out to Alfred Certissimo, Inc.—and at the time, Madison Square Garden Boxing did not have our own checking account, which we do now—but if we were in Las Vegas, and we were in a series of fights, we used to have to write a memo and fax it back to our accounting department, who would then try to cut checks and send checks back to us Federal Express. And when the checks came back in as we asked them to cut them out, the check was made out—the \$40,000 portion which we asked for in cash—was made out to Alfred Certissimo, Inc.

Mr. RINZEL. But that check was never processed. It is a nullity.

Mr. GOODMAN. No. The check was never processed.

Mr. RINZEL. So it had nothing to do with the purse payment.

Mr. GOODMAN. What we did, we still had a payment coming from Don King Productions of \$750,000. He had advanced \$50,000 upon the signing of the agreement. We asked Don King if he—or his comptroller or his accountant—if he could make one check out for \$710,000 and the other check out to us for \$40,000, which we then cashed at the hotel. And I asked Stu Weiner to endorse the back of the Alfred Certissimo check and give it back to me, which I brought back to my accounting department, and they voided it out, and we never cashed that check.

Mr. RINZEL. OK. So you physically gave \$40,000 from a Don King check to Stu Weiner—

Mr. GOODMAN. Correct.

Mr. RINZEL [continuing]. In Las Vegas, Nevada—

Mr. GOODMAN. Correct.

Mr. RINZEL [continuing]. At the Mirage Hotel?

Mr. GOODMAN. Correct.

Mr. RINZEL. And that was part of the purse?

Mr. GOODMAN. Correct.

Mr. RINZEL. In Nevada, all purses must pass from the promoter to the commission representative to the fighter, to ensure that the fighter isn't cheated out of any of his purse; is that right?

Mr. GOODMAN. Correct.

Mr. RINZEL. When we asked the Nevada Commission, they said they'd never heard about any \$40,000 cash payment in this fight or any other fight, and they didn't like cash payments and basically

¹ Exhibit No. 33h appears on page 257.

did not allow them. How did you get around that? How did you pay part of a purse in \$40,000 in cash, and the Nevada Commission not know anything about it?

Mr. GOODMAN. Well, I would have to look back at my records to see how the breakdown was. Don King was the promoter of the fight in that particular instance, so I would think that we wrote the Commission a letter, asking permission first of all to have the checks made out to Alfred Certissimo, Inc.

Mr. RINZEL. Buddy McGirt did write such a letter to the Commission.

Mr. GOODMAN. OK, which would have to be done. I'd have to go back and look at the checks and see—

Mr. RINZEL. I am curious as to how a purse, which under the Nevada contract was \$625,000, and presumably the Nevada Commission got that full purse from you.

Mr. GOODMAN. Six hundred twenty-five thousand dollars was the full purse that was coming to Buddy McGirt.

Mr. RINZEL. Right. And you took \$40,000 of that in cash and gave it to Stu Weiner; is that correct?

Mr. GOODMAN. Well, I don't recall exactly how the breakdown was. I'd have to see it.

Mr. RINZEL. Well, it doesn't matter exactly how the breakdown was. The fact is that \$40,000 in cash was given to Stu Weiner, not to Buddy McGirt, by you personally, but the Nevada Commission doesn't know anything about it. How did that happen?

Mr. GOODMAN. I just don't recall. I know by way of payment in Nevada, the Commission usually pays the boxer, so—

Mr. RINZEL. The Commission always pays the boxer. That's part of the Nevada regulations. They have to pay the boxer.

Mr. GOODMAN. Oh. I don't recall that.

Mr. RINZEL. Mr. Certo testified that cash payments are a regular feature of his contracts with you; is that correct?

Mr. GOODMAN. No, it's not a part of a contract, but it's a part of a regular way of doing business when people have been training for a major fight for a long time, that they request a certain amount in cash, and it is done by most of the promoters. As a matter of fact, in Las Vegas in the past—and it was one of the few States where we could do it because of the gaming industry—the checks, with proper i.d., could be taken down to the casino cage after a fight and cashed at the casino cage.

Mr. RINZEL. Well, that would be a check, though. We're talking about cash.

Mr. GOODMAN. Yes. Well, they wouldn't cash a corporate check, is what I'm saying when I say they made special arrangements.

Mr. RINZEL. I don't have any further questions.

Senator ROTH. Now, you are Buddy McGirt's promoter, and we of course have heard testimony from Mr. Gravano that a member of the Gambino organized crime family owned part of Mr. McGirt's contract. Were you aware of this prior to this hearing?

Mr. GOODMAN. No. I have never heard that until today.

Senator ROTH. As Mr. McGirt's promoter, you do business with his co-managers Al Certo and Mr. Weiner; is that correct?

Mr. GOODMAN. That's correct.

Senator ROTH. And you heard the testimony of Mr. Gravano and staff regarding Mr. Certo's and Mr. Weiner's ties to organized crime. Were you aware of these connections prior to this hearing?

Mr. GOODMAN. No, I am not.

Senator ROTH. If you had been aware of Mr. Certo's and Mr. Weiner's organized crime connections and the fact that part of Mr. McGirt's contract was owned by a member of the Gambino crime family, would your employer, Madison Square Garden Boxing, have entered into a promotional contract with these people?

Mr. GOODMAN. Absolutely not.

Senator ROTH. What steps can we take short of a Federal Boxing Commission to correct this situation? Do you have any suggestions?

Mr. GOODMAN. Well, I would have to think that some proof would have to be brought up, or some indication that these allegations are in fact true. And if the allegations are true, then I would have to take a step back and rethink my relationship with Messrs. Certo and Weiner.

Senator ROTH. John, do you have any more questions?

Senator McCAIN. No.

Senator ROTH. Thank you for being here today, Mr. Goodman.

Mr. GOODMAN. Thank you.

Senator ROTH. Our next two witnesses are Iran Barkley and Leonard Minuto.

Is Mr. Barkley here?

TESTIMONY OF MARK TUOHEY, ATTORNEY, REED, SMITH, SHAW AND MCCLAY

Mr. TUOHEY. He is not, Senator.

Senator ROTH. Are you his attorney?

Mr. TUOHEY. Yes, Senator. For the record, my name is Mark Tuohey. I am a member of the firm of Reed, Smith, Shaw and McClay, and I am Mr. Barkley's attorney.

Senator ROTH. Mr. Tuohey, did you accept service of a subpoena on behalf of Mr. Barkley?

Mr. TUOHEY. I did, Mr. Chairman. In conversation with Mr. Rinzel, I believe in March, I volunteered to accept service. Mr. Rinzel and I go back some time to the Department of Justice together, and together with Ms. Hill, I have had a number of relationships with them. I did agree to accept service, and I communicated that to Mr. Barkley.

I will say, Mr. Chairman, that I am at a loss as well. Mr. Barkley was cooperative and has been cooperative before this Committee. He testified fully at deposition.

I talked to him—I actually received the subpoena from Mr. Rinzel's office on March 18th. I was not in Washington that week; my father passed away. But my secretary talked to Mr. Barkley, and then I talked to Mr. Barkley, and he at all times has indicated to me his willingness to continue to be cooperative with this Committee.

I am at a loss, Senator Roth, and I can only assume—and it is an assumption—I can only assume that he may be ill; I know he was moving this week with his fiancée. I have tried to reach him today, and I have been unsuccessful.

Senator ROTH. When were you last in contact with him?

Mr. TUOHEY. I believe last Wednesday, Senator Roth. But there have been two conversations.

Senator ROTH. And Mr. Barkley was aware of this hearing.

Mr. TUOHEY. Aware and fully prepared to come and testify, as he did at his deposition, Mr. Chairman.

Senator ROTH. He in no way indicated that he might do otherwise?

Mr. TUOHEY. Absolutely not, no.

Senator ROTH. And what did you try to do to contact him today?

Mr. TUOHEY. Well, I tried to contact his mother, as well as his New York counsel, and it was certainly both of their understandings that he was coming to the District of Columbia today to testify. And as I say, I have no indication, Mr. Chairman, none, that he would do anything to frustrate this hearing. And I can tell you as a former United States Attorney and Department of Justice official, I fully explained very clearly to him, and I can only assume that something has happened by way of illness or otherwise. I will continue to make attempts, and I can assure this Committee and you as Chairman, Senator Roth, that if there is some alternative to an additional date, I will do everything in my power, and I believe he will be present. I just don't have an answer for you other than that, Senator Roth.

Senator ROTH. Well, obviously, this is a very serious matter to the Subcommittee. We do not take lightly the failure of a witness, particularly one that has been subpoenaed, to appear here. So that we will ask you to keep us informed as to what you learn, as it will be necessary for the Subcommittee to decide what kind of action to take on the basis of his failure to appear.

Mr. TUOHEY. I understand, Mr. Chairman. I will do everything I can, and I will communicate with Mr. Rinzel and Ms. Hill, and I can assure you that from my background and knowledge of Mr. Barkley, I believe there will be a legitimate excuse. There is no excuse for not appearing. I understand that, Mr. Chairman. But I'll do everything I can, and I know my client will, too.¹

Senator ROTH. I guess the thing that's hard to understand is if he couldn't appear because of illness or whatever, why he couldn't have advised you or the Subcommittee.

Well, thank you, Mr. Tuohey.

Mr. TUOHEY. Mr. Chairman, would you like me to stay, or shall I be excused?

Senator ROTH. You are excused, Mr. Tuohey.

Mr. TUOHEY. Thank you.

Senator ROTH. Mr. Minuto, if you would please rise and raise your right hand. Do you swear the testimony you will give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MINUTO. I do.

¹ Subsequent to the hearing, Iran Barkley's deposition was taken on April 30, 1993. The deposition appears as Exhibit No. 15 on page 168.

TESTIMONY OF LEONARD MINUTO; ACCOMPANIED BY GERARD TREANOR AND PRESTON BURTON, CACHERIS AND TREANOR, WASHINGTON, D.C., COUNSEL

Senator ROTH. Mr. Minuto, would you please state your full name?

Mr. MINUTO. Leonard Minuto.

Senator ROTH. Mr. Minuto, would you inform us as to who is accompanying you? Are these your attorneys?

Mr. TREANOR. Mr. Chairman, my name is Gerard Treanor, and with me is my colleague, Preston Burton. We are with the law firm of Cacheris and Treanor in Washington, and we are members of the Bar of the District of Columbia.

And Mr. Chairman, may I request pursuant to Rule 11 of the Rules of Procedure of this Subcommittee, that because of the distracting nature and the personal comfort of the witness, that the television cameras and the lights illuminating for purposes of television be extinguished?

Senator ROTH. We will continue to have the television cameras as we have had for this entire hearing. This question has been raised in other hearings, and the matter is up to the Subcommittee's discretion.

I would say to you that under our rules, you are allowed to be here to advise Mr. Minuto, but you are not here as a witness. So any further advice should be given to Mr. Minuto.

Mr. TREANOR. I appreciate that. Thank you, Senator.

Senator ROTH. Mr. Minuto, Iran Barkley has testified in a deposition that you served as his advisor, that you typically received 10 percent of his boxing earnings, and that you received \$100,000 in connection with Mr. Barkley's recent fight against James Toney. Is all that correct?

Mr. MINUTO. On the advice of my counsel, I respectfully decline to answer the question on the basis of my Fifth Amendment rights.

Senator ROTH. Mr. Minuto, if you would pull the mike a little closer; we can't hear you.

You are currently not licensed in any capacity with any State boxing regulatory body; is that correct?

Mr. MINUTO. On the advice of my counsel, I respectfully decline to answer the question on the basis of my Fifth Amendment rights.

Senator ROTH. What services do you perform for Mr. Barkley in connection with his boxing career?

Mr. MINUTO. On the advice of my counsel, I respectfully decline to answer the question on the basis of my Fifth Amendment rights.

Senator ROTH. I understand that you have been arrested at least seven times since 1974 for alleged gambling violations. Is that correct?

Mr. MINUTO. On the advice of my counsel, I respectfully decline to answer the question on the basis of my Fifth Amendment rights.

Senator ROTH. Mr. Minuto, Alfonse D'Arco was the acting boss of the Luchese organized crime family and is now in Federal custody. He has provided us with a sworn declaration that you are an associate of the Joey Giampa crew of the Luchese crime family. Is that correct?

Mr. MINUTO. On the advice of my counsel, I respectfully decline to answer the question on the basis of my Fifth Amendment rights.

Senator ROTH. Mr. Minuto, do you plan to invoke the Fifth Amendment to every question that the Subcommittee propounds to you?

Mr. MINUTO. Yes, I do, Senator.

Senator ROTH. In that case, you are excused at this time.

At this time, we would call forward Andrew Licari. Mr. Licari, if you would continue to stand and raise your right hand. Do you swear the testimony you provide this Subcommittee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. LICARI. I do.

TESTIMONY OF ANDREW LICARI;¹ ACCOMPANIED BY RICHARD A. RAFANELLO, SHAIN, SCHAFFER & RAFANELLO, BERNARDSVILLE, NEW JERSEY, COUNSEL

Senator ROTH. Please be seated. I'd appreciate it if your counsel would introduce himself and his firm.

Mr. RAFANELLO. Richard A. Rafanello. The name of my firm is Shain, Schaffer & Rafanello, in Bernardsville, New Jersey, sir.

Senator ROTH. Mr. Licari, if you have a statement and can summarize, we would appreciate that; in any event, your statement will be included in the record in its entirety.

Mr. RAFANELLO. Senator, we submitted the statement for the record. Mr. Licari has no need to recitate on that statement.

Senator ROTH. Mr. Licari, you have testified that you once owned a restaurant with Sonny Giglio. Are you aware that he has been identified in Federal testimony as a soldier in the Luchese crime family?

Mr. LICARI. I might have read it, but I don't know for sure.

Senator ROTH. Does this concern you?

Mr. LICARI. It doesn't really concern me. It's none of my business what he does.

Senator ROTH. Now, I understand from your deposition that you knew little about boxing prior to investing \$300,000 in Bobby Czyz, and that you also knew very little about Bobby Czyz as a boxer. Is that correct?

Mr. LICARI. Would you repeat that, please?

Senator ROTH. I understand from your deposition that you knew little about boxing prior to investing \$300,000 in Bobby Czyz, and that you also knew very little about Bobby Czyz as a boxer. Is that correct?

Mr. LICARI. Yes.

Senator ROTH. Had you ever seen Mr. Czyz box before investing \$300,000 in a percentage of his future earnings?

Mr. LICARI. Not really, no, sir.

Senator ROTH. Mr. Licari, the statement you have submitted for the record indicates that Bobby Czyz has paid you and your partner \$288,277 from his boxing earnings. Is that correct?

Mr. LICARI. Yes, sir.

¹ The prepared statement of Mr. Licari appears on page 160.

Senator ROTH. And your statement indicates that you have loaned Mr. Czyz approximately \$80,000 over the last 10 years. Is that correct?

Mr. LICARI. Yes, sir.

Senator ROTH. What interest did you charge?

Mr. LICARI. No interest at all.

Senator ROTH. No interest at all?

Mr. LICARI. No, sir.

Senator ROTH. Is it true that Bobby Czyz still owes you \$50,000 on these loans?

Mr. LICARI. Yes, sir.

Senator ROTH. Is the answer yes on the \$50,000?

Mr. LICARI. Yes, sir.

Senator ROTH. Do you have any written receipts or agreements for these loans?

Mr. LICARI. We have checks, yes; we have checks that we gave him.

Senator ROTH. You also assert that Bobby Czyz owes you \$111,000 as your percentage of his last two fights. Why do you continue to lend him money at no interest under these circumstances?

Mr. LICARI. Well, we became friends, and he seemed to have problems each time that I gave him money, and he said after the fight, he would pay me back. And he'd gotten a couple of little jackpots.

Senator ROTH. Have you made any other loans to individuals such as those you made to Mr. Czyz?

Mr. LICARI. Pardon?

Senator ROTH. Have you made other loans to individuals such as those you made to Mr. Czyz?

Mr. LICARI. No, sir.

Senator ROTH. With no interest.

Mr. LICARI. No, sir; I don't charge interest to nobody.

Senator ROTH. You don't charge interest to anybody.

Isn't it true that you have in the past made a \$10,000 loan to one Joseph Abate?

Mr. LICARI. Yes, sir.

Senator ROTH. Joseph Abate was identified in 1988 PSI hearings as a soldier in the Luchese crime family. Are you aware of his crime family connections?

Mr. LICARI. I probably read about it, but I knew him all my life.

Senator ROTH. You have known him all your life?

Mr. LICARI. Yes, sir.

Senator ROTH. And you've only read about his involvement with the Luchese crime family?

Mr. LICARI. Yes, sir.

Senator ROTH. You have no personal knowledge.

Mr. LICARI. No, sir.

Senator ROTH. Alfonse D'Arco, former acting boss of the Luchese crime family, described you in an affidavit as a "loan shark." Is that true?

Mr. LICARI. No, sir.

Senator ROTH. What is a "loan shark"?

Mr. LICARI. I couldn't tell you what a "loan shark" is, sir.

Senator ROTH. You've never had any dealing with any "loan shark"?

Mr. LICARI. No, sir.

Senator ROTH. Isn't it true that the so-called loan repayments made to you by Bobby Czyz are in fact the interest due on your original \$300,000 loan to Bobby Czyz?

Mr. LICARI. No, sir.

Senator ROTH. Mr. Licari, are you currently licensed in any capacity with any State boxing commission?

Mr. LICARI. No, I am not.

Senator ROTH. Have you ever been?

Mr. LICARI. No, sir.

Senator ROTH. Is your investment with Mr. Czyz recorded with any State boxing commission?

Mr. LICARI. My investment with Mr. Czyz—I had an attorney, and he had an attorney. They drew up a contract, and we signed it. And I never gave it a second thought. But my attorney tells me today that you don't as an investor need any type of a license.

Senator ROTH. In any event, it was not recorded with any State boxing commission?

Mr. LICARI. No, sir.

Senator ROTH. In the statement you submitted for the record, you state that you and your partner have played no role in Mr. Czyz' boxing career. Is this correct?

Mr. LICARI. Yes, sir.

Senator ROTH. Do you have any input with respect to Czyz' boxing career?

Mr. LICARI. No, sir.

Senator ROTH. I understand that Leonard Pizzolatto, now deceased, was your brother-in-law. Is that correct?

Mr. LICARI. Yes, sir.

Senator ROTH. In an affidavit by Alfonse D'Arco, former acting boss of the Luchese crime family, D'Arco asserts that Pizzolatto was a member of the Luchese crime family. Is that true?

Mr. LICARI. Who are you talking about, sir?

Senator ROTH. Your brother-in-law, Leonard Pizzolatto.

Mr. LICARI. I have no knowledge of that.

Senator ROTH. You have no knowledge that he was a member of the Luchese crime family.

Mr. LICARI. No, sir.

Senator ROTH. In the same affidavit by Alfonse D'Arco, D'Arco also asserts that Pizzolatto brought you into the Luchese crime family. Is this true?

Mr. LICARI. Absolutely not, sir.

Senator ROTH. Mr. Licari, are you a member of the Luchese organized crime family?

Mr. LICARI. I am not, sir.

Senator ROTH. Are you familiar with an Anthony Accetturo, Senior?

Mr. LICARI. Yes, sir.

Senator ROTH. Are you familiar with a Michael Perna?

Mr. LICARI. Yes, sir.

Senator ROTH. You already said that you know Joe Abate.

Mr. LICARI. Yes, sir.

Senator ROTH. Are you familiar with a Michael and Marty Tocetta?

Mr. LICARI. Yes, sir.

Senator ROTH. Mr. Licari, in testimony at a 1992 Federal trial in the Eastern District of New York, Alfonse D'Arco, the former acting boss of the Luchese crime family, testified that you, along with the individuals that you have just identified, are members of the Accetturo crew of the Luchese crime family. Is this true?

Mr. LICARI. No, sir.

Senator ROTH. Those are all the questions we have, Mr. Licari.

Mr. LICARI. Thank you.

Senator ROTH. The record of this hearing will be kept open for 30 days.

Mr. RINZEL. Mr. Chairman, I have a list of exhibits numbered 1 through 50 which I'd like to offer for introduction at this time.

Senator ROTH. Without objection.

The Subcommittee stands in recess subject to call by the Chairman.

[Whereupon, at 5:40 p.m., the Subcommittee adjourned.]



A P P E N D I X

PREPARED STATEMENT OF DR. JORDAN

Ladies, Gentlemen and Senators: My name is Dr. Barry Jordan, I am a board certified neurologist, actively involved in the sport of boxing as a health care provider and medical researcher. My current positions include, Medical Director of the New York State Athletic Commission, team physician for USA Boxing, and assistant professor of neurology and public health at Cornell University Medical College. I have published several scientific articles on boxing, including a textbook entitled "Medical Aspects of Boxing."

Boxing is an inherently dangerous sport that can be made safer via improved medical supervision and safety legislation. The mainstay of these improvements require medical research to understand, help prevent and minimize brain, eye, and other medical injuries associated with boxing.

The major medical concern confronting boxing today is chronic brain injury. Chronic brain injury represents the cumulative long-term effects and consequences of professional boxing and is probably the condition that afflicts Muhammad Ali.

Approximately 20 percent of retired professional boxers experience chronic brain injury. Boxers exhibiting chronic brain injury may experience slurred speech, memory loss, personality changes, difficulty with walking, and/or Parkinson's disease.

Two important factors may contribute to developing chronic brain injury. A long exposure to boxing or a long duration of career may increase the risk of chronic brain injury. Accordingly, limiting the duration of a boxer's career may reduce the risk of chronic brain injury. In addition, poor performance may be a risk factor for chronic brain injury. Intuitively, one might expect that boxers who consistently lose or display a poor performance will suffer more brain injury. Therefore, it appears that boxers with excessive losses will have an increased risk of chronic brain injury. Currently, in New York State, professional boxers are medically suspended for six consecutive losses or three consecutive losses secondary to a TKO/KO.

Research on chronic brain injury will identify the risk factors for this condition which in turn will provide criteria for legislative changes that may prevent or limit serious illness. Formal research on chronic brain injury associated with boxing may also lead to a better understanding of the pathophysiology of Alzheimer's disease. There are several pathological similarities between the brains of patients with Alzheimer's disease and boxers with chronic brain injury. The similarities may reflect similar pathophysiological mechanisms. Furthermore, head trauma has also been postulated to be a risk factor for Alzheimer's disease.

Although chronic brain injury associated with boxing has been recognized since 1928, minimal medical research has been conducted to further our understanding of this syndrome. There are several factors that have limited medical research in boxing. First, there has been a lack of government monies made available for research, because boxing has a low funding priority. Furthermore, a large representative population of boxers that could be effectively studied is lacking. The establishment of a national registry of all professional boxers would provide a sample population of boxers that could be evaluated.

Unfortunately, a substantial proportion of the medical community has abandoned all efforts and concerns to improve the safety standards in boxing. Several medical societies including the A.M.A. have proposed the abolition of the sport. However, banning the sport of boxing will not make it safer, because it will continue underground as "bootleg" boxing. This "bootleg" boxing would occur in basements, bars, and backrooms and would totally lack medical supervision. This would result in a substantially higher injury and death rate. Accordingly, I feel it is necessary to im-

prove the sport of boxing and make it safer by advancing medical research in boxing.

PREPARED STATEMENT OF DR. BATTALIA

Ladies and Gentlemen, Senators: I am Dr. Jack Battalia, a semi-retired surgeon. My avocation for 35 years has been boxing safety. I was a member of the Portland, Oregon Boxing and Wrestling Commission for 29½ years, actively participating in amateur boxing for 15 years as well. Five-and-one-half years ago, Oregon's law was changed and I became a member of the Oregon Boxing and Wrestling Commission, serving as chairman for the past 2 years.

For the past 8 years, I have also been the chairman of the IBF/USBA Medical Committee.

When first appointed to the Portland Commission, I knew nothing about boxing but my orders from the new Mayor were "don't let them get hurt." That has been my priority for 35 years. We still had one detached retina and two subdural hematomas, fortunately with good recoveries.

Boxing is not the dangerous sport that some would like to believe. It has dropped from No. 5 to No. 9 in the past few years. This has come about because of the sweat and tears of a lot of dedicated boxing people. The rate of deaths in horse racing is the highest, followed by sky diving, hang gliding, and auto racing. Football has many times the rate of deaths per thousand engaged in the sport than boxing, but if any sports writer or politician even suggested altering the sport, the revolution would make the Civil War look like a garden party.

One of the most important rule changes in boxing which has reduced head injuries has been the placement of Ensolite safety mats under the ring canvas. An egg dropped from 4 feet will not break on an Ensolite mat. Oregon was one of the first States to mandate the mat for all boxing, pro and amateur, and we got the IBF to follow suit. The leading cause of boxing deaths has been the head striking the floor and not the gloved fist.

As far as gloves are concerned, there have been some dramatic changes. First, the use of Ensolite instead of horsehair padding. Second, the tie-down thumb has reduced eye injuries and essentially prevented Bennett's fractures of the thumb.

This is a good time to correct some widespread misconceptions.

One, the safest fight as far as head injuries are concerned is no glove, but the contestants would be cut to ribbons and hand fractures would be epidemic.

Two, a heavier glove does not reduce head injuries. It increases them. For every two ounces of increased glove weight, it is the equivalent of putting a roll of pennies in the boxer's hand. The increased padding reduces cuts but the increased weight increases the force hitting the head and, thus, slapping the brain against the skull. In my estimation, the time has come to eliminate boxing glove weight standards. I have asked Dr. Barry Jordan from New York if they can research the optimum density and thickness of the padding to arrive at the safest glove. Then the gloves would all have the same thickness and the only difference would be the width of the glove depending on the size of the hand in the various weight classes.

Three, finally the misconception of headgear. Every do-gooder asks, "why don't we make all boxers wear headgear like the amateurs?" The headgear is a dangerous effort to make some people look like they know what they are doing. Again, the padding reduces the cuts and cauliflower ears; however, the headgear adds weight to the head and, thus, when struck, the inertia slows the movement of the head and thus the movable brain inside the skull slaps around more and you get contrecoup injuries.

Four, the four-strand ring has reduced injuries from boxers falling through the ropes, but the lowest rope needs to be moved back about 6 inches so a falling boxer doesn't catch his neck on the bottom strand. I am positive that the Korean boxer who died in California a few years ago was killed by the rabbit punch whiplash when his neck struck the rope rather than the KO punch. This injury was dramatic when reviewed on tape.

The standards for physical exams and eye exams are out there, but only a few States in the IBF are following them. The IBF Medical Committee and its available consultants are always available to evaluate a boxer and/or his suspension.

In conclusion, I wish to point out the inconsistency of the Federal Government and boxing safety. We physicians in boxing are all aware that acute and chronic boxing injuries are more apt to occur after the age of 35, or after a certain number of fights because of slowed reflexes which can't be measured by present technology. The Feds say, "make it safer," but when we try to stop all boxing at the age of 35

they scream "age discrimination." For every George Foreman, who is a physical exception, there are a thousand boxers out there who are getting hurt by being allowed to continue. Help us put an age limit on boxing.

PREPARED STATEMENT OF DR. WARD

My name is W. Timothy Ward. I am currently in the full time practice of medicine as an Assistant Professor of Orthopedic Surgery at the University of Pittsburgh, in Pittsburgh, Pennsylvania. I have been asked to appear before this Committee to provide testimony as to my understanding of the current state of professional boxing viewed from a medical standpoint. I believe that I do possess a certain degree of credibility in this regard as I have been involved in the sport of boxing first as an amateur competitor for several years and subsequently as a physician caring for and overseeing the medical aspects of this sport since 1978. I am a member of the Sports Medicine Committee of the USA Boxing Incorporated as well as a certified ringside physician for that organization. I am currently Chairman of the Medical Advisory Board and an exofficio voting member of the State Athletic Commission for the Commonwealth of Pennsylvania. My statements today are not the official positions of either the University of Pittsburgh, Pennsylvania State Athletic Commission or of USA Boxing Incorporated but rather reflect my personal belief concerning the medical aspects of boxing.

The sport of boxing traces its roots to the 23rd Olympiad in 688 BC. At that Olympiad there was no ring utilized, no rest period, no time limits, punching and kicking were allowed anywhere, and the contest was not over until one contestant either gave up or was knocked out—a situation that we might well describe today as an unruly street fight. The modern era of boxing was ushered in with the Queensbury Rules of 1867 which mandated the use of padded gloves, three minute rounds with one minute rest periods, abolition of wrestling, and the usage of a ten second knock down rule. Boxing has continued to evolve since the inception of the Queensbury rules but the fundamental intent of the sport has not changed. A contestant seeks to out box and willfully concuss his opponent in order to gain victory. Such activity will obviously entail a certain degree of risk for which medical treatment and supervision is necessary.

The forces produced by boxing head blows are quite significant. It has been estimated that a safe level of force can be exceeded by a factor of four with boxing head blows. This force is roughly equivalent to an unrestrained passenger striking his head on the dashboard in a low speed auto collision. The forces generated by hard head blows are frequently higher than the threshold for brain injury. An appreciation of the involved forces makes it easy to understand why the sport of boxing entails a certain degree of neurologic ocular and musculoskeletal risk. Improved medical supervision of boxing will hopefully diminish the acute and chronic risks inherent in this sport.

Despite a popular public misconception, boxing does not rank high on a risk of sporting endeavors which are associated with acute death. The prevalence of boxing-related deaths has been estimated to be around 0.13 per 1,000 participants. This compares very favorably to other sports such as college football which estimated at 0.3 per 1,000, hang gliding at 5.6, sky diving at 12.3 and horse racing at 12.8 per 1,000 participants. While death in the boxing ring is certainly tragic when it occurs, current medical supervision is able to almost eliminate this event if appropriate medical guidelines are followed.

Clearly, the singularly most important and derisive medical issue surrounding the sport of professional boxing has to do with the occurrence and possible prevention of chronic brain injury among its participants. Boxing fans refer to these affected boxers as being cuckoo, goofy, slugnatty, punchy, or punch drunk. The medical literature utilizes such terms as punch drunk, dementia pugilistica and chronic traumatic boxer's encephalopathy.

Chronic traumatic boxers encephalopathy is a constellation of different types of cerebral, cerebellar, psychiatric, and Parkinsonian symptoms. Its time of onset, rate of progression, and clinical manifestations are quite variable. It may first make its appearance after a particularly difficult match, at the end of a lengthy career, or not until 20 to 25 years after the cessation of a boxer's career. As stated, the rate of progression of this syndrome is quite variable. Clearly there are many individuals who have only a minor static involvement but there are others that have relentless progression eventually requiring permanent psychiatric institutionalization. The clinical manifestation of this syndrome is exceedingly variable. Early signs and symptoms include slurring of speech, diminution in cognitive function particularly

with respect to perception and memory. Dementia can become exceedingly severe and eventually indistinguishable from severe Alzheimer's syndrome. Cerebellar symptoms lead to poor coordination and unsteadiness in gait. There may be weakness of the upper extremities or dragging of a leg. Parkinsonian symptoms arise which lead to immobility of facial appearance, slowness of movement, shuffling gait, rigidity, and tremors. Psychiatric symptoms result in profound personality deterioration with generalized lack of awareness and occasional violent behavior. The syndrome complex may initially be difficult to diagnose accurately because of the vast array of signs and symptoms.

The occurrence of this syndrome is much more common in professional than in amateur boxers. It is directly related to the length of a boxer's career and probably not to the number of times he has been knocked down or out. The occurrence of the syndrome increases with increasing age of the ex-boxer. An excellent medical study reported in 1969 by Roberts which looked at retired British professional boxers who had competed prior to World War II estimated the prevalence of this syndrome to be around 17 percent. There is no definitive work available to tell us the modern day prevalence of this syndrome. While modern day medical intervention probably has diminished the frequency of this syndrome there are disturbing trends which continue to be present. Studies which have utilized sophisticated CT or MRI imaging as well as neuropsychological testing continue to demonstrate a high incidence of subclinical structural findings. Whether these abnormal imaging findings and neuropsychological tests are the precursors to a full-blown encephalopathic syndrome can only be answered with a longitudinal follow-up of these modern day boxers.

I believe that there are at least seven areas in which the sport of boxing could be improved from a medical stand point, thereby diminishing the occurrence of injury. These measures include: (1) Better medical supervision, (2) shorter competitions, (3) more consistent medical administrative control of the sport both nationally and internationally, (4) more knowledgeable trainers, managers, promoters, and referees, (5) appropriate gloves, rings, posts, and headgear, (6) and improved boxer education.

Better medical supervision can be subdivided into (1) an improvement in the quality of ringside physicians, (2) institution of mandatory medical suspensions, (3) institution of a serial imaging screening program, (4) assurance of acute life support measures, and (5) development of a comprehensive evacuation plan and neurosurgical support in case of an emergency.

Ringside physicians should become more knowledgeable about the sport of boxing. There is an abundance of medical literature available in the way of refereed and non refereed articles, books and book chapters to educate these physicians. A physician should have freedom at ringside to stop a contest if he or she feels that a boxer is in jeopardy. There should be no interference in this regard from the State Boxing Commission or any other concerned parties. Medical suspensions should be strict and uniform. Currently a suspension in one State may either not be appreciated or ignored in another State. Suspensions should also apply to sparring sessions as well as competition. Serial head scanning and ophthalmological examinations should be instituted in order to detect early subtle abnormalities and thereby hopefully be able to prevent these abnormalities from developing into more serious problems. A mechanism of medical supervision which is uniform nationally should be instituted. Such supervision is not currently possible within the financial budgets of most State Boxing Commissions. Enhanced funding is clearly necessary to ensure uniform high quality medical coverage. It is important that trainers, managers, promoters, and especially referees all become better educated concerning the medical risks inherent in boxing. The referee must recognize and understand the serious implications of the so called groggy state in which fighters frequently find themselves. A contest should not be allowed to continue when one boxer has been concussed and is not adequately able to defend himself.

Besides chronic brain injury in boxing, serious injury is also noted in the musculoskeletal system and in the ocular system. The incidence of retinal tears in professional boxers has been estimated to be somewhere around 13 to 24 percent. This incidence is related to the number of bouts fought and to the number of losses sustained. Unfortunately the boxer is usually asymptomatic when the injury first occurs and therefore would only be picked up with appropriate ophthalmological screening examinations. I would concur with published recommendations advising annual ophthalmologic examinations which include visual acuity, visual fields, slit lamp examination, pressure measurements, gonioscopy and dilated retinal examination. Enactment of the preventive measures which I have mentioned with respect to brain injury would also apply to prevention of ocular or musculoskeletal injury.

Any opinion concerning the overall merits or deficiencies of boxing must be made not only on medical but also sociological, psychological and financial grounds. Feelings run deeply about the sport of boxing from unyielding support to unyielding opposition with a determination to seek its abolition. Proponents of boxing argue that the sport encourages rigorous training, discipline, alertness, courage, endurance, and generally builds character. Boxing is also lauded as one of the few avenues to "escape the ghetto" for economically disadvantaged minority youths. Opponents of boxing site its known deleterious cerebral and ocular effects and consider it brutal, atavistic, uncivilized, and inherently discriminatory with predominately disadvantaged minority youth as the participants.

In summary I believe that professional boxing is a very difficult sporting endeavor requiring significant dedication and hard work. The participants expose themselves to significant medical risk particularly with respect to neurologic and ocular injury. The boxing establishment particularly the medical community, is attempting to reduce these risks but the effectiveness of these risk reduction measures cannot be determined until they are fully implemented. As is true with most complex social issues, and boxing is surely more than simply a medical issue, there is room for compromise and improvement. Diligent medical participation will continue to enhance boxing safety. On going expert care, sophisticated neurological and ocular monitoring, and high quality retrospective and prospective medical studies in conjunction with the institution of nationally accepted medical standards will eventually provide an indisputable data base which society can use to help make an educated, unemotional decision on how it chooses to deal with the sport of boxing. Ultimately, it must be society that determines if the objectives of boxing are appropriate for our culture and what level of inherent medical risks we are prepared to accept as an unfortunate byproduct of this sport.

PREPARED STATEMENT OF MR. ABRAHAM

Good morning, Mr. Chairman and members of the Subcommittee.

I am Seth G. Abraham and I am President of Time Warner Sports, a wholly-owned subsidiary of Home Box Office, Inc. For the past 15 years, I have directed the negotiations for the telecasting of professional prizefights on HBO. Additionally, 2 years ago, HBO launched a boxing pay-per-view network we call "TVKO," which I also oversee. Between our 2 networks, we broadcast approximately 20 professional prizefights each year.

In fact, on January 16, 1993 HBO celebrated its 20th anniversary of boxing when George Foreman marked our milestone with his 67th professional victory. It is a historical curiosity that George Foreman also appeared in HBO's very first televised bout when he won the World Heavyweight Championship from Joe Frazier in Kingston, Jamaica on January 22, 1973. In the two decades since, HBO has televised over 200 matches, including 109 world championship prizefights from all over the world.

Last Saturday night was our 109th World Championship title fight when two of the best fighters in the world, James "Buddy" McGirt and Pernell Whitaker vied for the World Boxing Council's World Welterweight Championship before 11,000 fans at New York's Madison Square Garden and an HBO TV audience of 10 million viewers.

Of course, the link between boxing and broadcasting pre-dates HBO and TVKO by centuries. To be exact, 96 years ago next Wednesday the first full-length moving pictures of a heavyweight championship prizefight were taken by an unknown cameraman in Carson City, Nevada, who recorded for posterity Robert Fitzsimmons of England knocking out James Corbett in 14 rounds on March 17, 1897. Further back still, Greek heralds ran the countryside in about 880 BC to trumpet the winners of Olympic box-offs. Television, therefore, is a by-product of boxing, not the other way around.

I want to thank the Committee for giving me the opportunity today to express my views, and to support your efforts.

As you well know, Congressional committees have conducted boxing probes through the 1960s, 1970s and 1980s. But I believe that Senator Roth's bill has the potential to significantly improve boxing, both inside and outside the ring.

First, let me discuss the issues inside the ring. I applaud your efforts to reform the conduct of the matches themselves. If you are successful, you will achieve two very noteworthy goals. Men who box for a living will be safer with more thoughtful health and safety protections and also, fans will have a higher regard for the sport's

credibility. In that regard, everyone involved in boxing gains. It is for that fundamental reason that we very strongly support legislation.

There are several provisions of your bill which we feel are particularly important and deserve elaboration because they enhance the safety of boxers and the conduct of what happens inside the ropes:

(1) An international, computerized clearinghouse should be established as a repository for fighters' medical records, won/loss records and videotapes of all televised bouts for reference purposes. HBO/TVKO would be pleased to make available all videotapes of the bouts we cover for this purpose.

(2) Annual licenses should be mandatory for boxers, referees, and judges.

(3) Three-year "certificates-of-registration" for managers, promoters and trainers should be required.

(4) A key provision should protect and ensure the safety of fighters by establishing uniform rules to govern the conduct, refereeing and judging of professional prize-fights.

(5) The Federal Boxing Commission should impose standards for emergency medical services at every professional match.

(6) The Federal Boxing Commission should establish minimum standards for full physical and neurological examinations and minimal standards for participation in a professional prizefight.

(7) The boxing community should explore how to establish a life, accident and health insurance fund for professional boxers. A portion of the total revenues generated by each professional prizefight should be set aside for this purpose, and

(8) The Federal Boxing Commission should establish minimum standards for the manufacture and use of boxing equipment.

In boxing jargon, a "standing eight-count" is administered by a referee to give a fighter eight seconds to regroup and collect his senses. If you enact these eight recommendations—which are largely already incorporated into your bill—you will have helped, in no small measure, to protect boxing's sense of fair play for its most important constituency—the fighters themselves.

I wish to point out to you that the eight counts of reform we have listed all have to do with the conduct of a fight inside the ring and the physical safety of the men who box for a living. They deserve to be safeguarded because "boxing is a hard way to earn a big dollar."

Earlier in this statement, I suggested to the Committee that the scope of its probe should include the study of what goes on outside the ropes that form the square in which fighters go to work.

Boxing is a two-fisted business in every sense. On one hand, there is of course, what happens inside the ring. In her book "On Boxing," Joyce Carol Oates describes "each boxing match is a story, a unique and highly condensed drama without words."

If the ring is a place beyond words, then the other hand of the sport is the business of boxing. This commence is a contest of many words, much money, guile and intellect, chess-like moves and counter-moves to make matches. Matchmaking to make fights is frequently as percussive as the prizefight themselves.

That, too, needs study and thoughtful consideration. This part of the business is far more subtle than the feints, jabs and slick moves from even the craftiest boxer.

I have met twice with representatives of this Committee suggesting to them an examination of how the business of boxing conducts itself. I have attempted to paint a detailed picture of how boxing negotiations are conducted and how television distribution deals are made. I have also responded to Subcommittee questions about how boxers are ranked, unranked, or de-ranked and how the four governing organizations govern or not. These ranking organizations are often part of the problem, not part of the solution as they should be. Self-regulation among members of boxing's business community should be a goal for all of us, simply, to maintain and enhance the public's belief in, and support of, boxing. The industry must do better. Fans support boxing like any other sport. If fans lose their belief in boxing's legitimacy, the entire industry, fighters, managers, promoters and arenas suffer. Fans are the organ grinders; we're the monkeys.

Nevertheless, revised standards and uniform regulations for the conduct of boxing's business should be examined carefully. In contrast to the health and safety and related issues discussed above, I do not believe that sweeping regulation of the business side of boxing is necessary or appropriate. There are, however, at least two areas which merit your attention:

(1) How the four governing bodies impact the sport; and

(2) How conflicts-of-interest may adversely affect prizefighters.

Quite possibly, the most arcane and pernicious rules of the self-professed governing organizations are how they rate and rank prizefighters within 17 different weight classes. Champions of some organizations are not even ranked in competing organizations. Undeclared Heavyweight Champion Riddick Bowe is a non-person in the World Boxing Council. In 1992 Bowe was actually lowered in the WBC's ratings from No. 1 to No. 2, and the fighter who replaced him, Donovan "Razor" Ruddock, had lost both of his matches during the year. This points to the need for an independent body that has no financial interest to rank fighters based on won-loss records, not byzantine politics. We support this important reform.

To the extent that conflicts-of-interest may exist in the boxing business, HBO has neither the power nor the authority to police such conflicts. I believe, however, that the best way to deal with conflicts is mandatory disclosure of information to the boxers and State and Federal regulatory bodies. If you can ensure that everyone has full knowledge of the relevant facts, you will have gone a long way toward limiting the harmful effects of conflict of interest.

Oddly, even though boxing's business needs reform, ill-conceived regulations could strip the sport of whatever effective policing and monitoring it does have, actually making matters worse. At the turn of the 20th century, several States, including New York banned boxing altogether. So enterprising promoters staged bouts on river barges, outside territorial waters. Barge fights made arena fights appear to be church socials by comparison.

Again Joyce Carol Oates: "life is like boxing in many unsettling respects. But boxing is only like boxing." Since boxing is only like boxing, I urge caution and common sense wisdom on promulgating new rules to govern its business.

I am often asked if I consider boxing a sport. After all, one plays football, tennis or basketball. One doesn't "play" boxing. It is a serious business. When asked about boxing as a sport, ageless-but-not-speechless George Foreman had this to say:

"Boxing is sort of like jazz. The better one performs, the less amount of people can really appreciate it."

But boxing is a sport with thousands of practitioners and millions of fans throughout the United States.

In fact, America's first identifiable sports hero, was the heavyweight giant John L. Sullivan, who did business as "The Boston Strongboy" throughout the 1880s. Sullivan entered boxing lore and was held in the highest esteem when he vowed and delivered on the promise that "I can lick any man in the house."

If your hearings and legislation can lick just some of boxing's problems and shortcomings, real fight fans and prize fighters would regard you, too, in high esteem.

Thank you, Senators, for this chance to express my views.

I hope they are of some value to you.

PREPARED STATEMENT OF MR. ARESKO

My name is Michael Aresco and I am a program manager in the ESPN Programming Department. ESPN is the Nation's largest cable network reaching approximately 61.8 million homes. It is an all sports network which has programmed over 60 different kinds of sports. As a program manager, I acquire and manage programming in various categories, including college football, rodeo, and other equestrian programming. I have also handled NCAA championships, yachting, and fitness and aerobic shows. One of my current programming responsibilities is ESPN's boxing. I have been with the network 8 years and was Assistant General Counsel before joining the Programming Department. I am a graduate of Tufts University, the Fletcher School of Law and Diplomacy and the University of Connecticut Law School.

In April, ESPN celebrates the 13th anniversary of our highly popular and successful Top Rank boxing series, which features up and coming fighters as well as established fighters. The series has featured important world title matches, and entertaining and significant non-title fights. Over the years, we have also televised occasional boxing cards obtained from other promoters, which we refer to as wildcard fights.

Boxing is a major and popular sport among our viewers worldwide. Our philosophy with respect to our boxing, as manifested in our Top Rank series, has been and remains to provide our viewers with the best quality fights that they would most want to watch. We are proud of the integrity, stability, longevity and ratings and production success of the series.

Let me give you some background on how we program boxing at ESPN. We televise approximately 40, mostly live, boxing cards per year, through our agreement with Top Rank, Inc. We have been doing business with Top Rank since 1980. Top

Rank arranges the boxing matchups, employing matchmakers who try to create exciting, competitive, quality bouts. Top Rank promotes and stages the cards, makes all arrangements with the proposed sites, pays the fighters, obtains all required boxing licenses or other necessary authorizations—in short handles all the arrangements necessary to stage the events for television. ESPN in turn selects the announcers and commentators and produce the telecasts. Included in each telecast are various features, including a segment called "Ringside Report" which focuses on current boxing news and upcoming fights of note.

Our boxing mix consists of fights in most weight classes, which in any given year might include various title fights, as well as undercard fights which usually feature up and coming young fighters. For example, we recently televised the IBF Cruiser-weight title fight between Alfred Cole and Uriah Grant. Mike Tyson, Riddick Bowe, and Tommy Hearns have all fought on Top Rank boxing.

ESPN generally schedules its Top Rank cards, which are usually 2-hour shows but occasionally are 1½ hours, in prime time on Thursday nights, Sunday nights in first Quarter, and occasional Wednesdays and Fridays when scheduling conflicts occur. We also repeat our Top Rank telecasts at other times of the day, usually weekday afternoons. From time to time ESPN has acquired repeat-delay-rights to boxing cards originally staged by Top Rank as pay-per-view or network fights. These bouts are included in our Top Rank shows.

Additionally, ESPN has over the years televised historical boxing matches which are call "Superbouts." These are 1-hour shows featuring footage of such famous fights as Ali-Norton, Leonard-Duran, Leonard-Hagler, or compilation shows such as George Foreman's Knockouts or Marvin Hagler's Knockouts. This series, along with our live Top Rank series, is popular with our viewers.

A gauge of that popularity is our high ratings for the Top Rank series. In 1992, we averaged a 2.2 rating for 40 cards. A rating point represents 1 percent of ESPN's viewer universe of approximately 61.8 million households, which translates to approximately 618,000 homes. A 2.2 rating represents approximately 1,360,000 households who regularly watch ESPN's Top Rank boxing.

We take measures to safeguard the integrity of our boxing. Top Rank does not use fighters whose records cannot be verified by the well-respected Ralph Citron Record Service. All feature match fighters must have winning records. We require Top Rank to sign a quarterly certificate certifying that all information to be provided to ESPN during the affected calendar quarter with respect to all fighters appearing on ESPN is true and correct.

In summary, boxing is an important part of ESPN's successful programming mix. It has consistently been one of our highest rated series over the years.

PREPARED STATEMENT OF MR. GRAVANO

Good afternoon, Mr. Chairman and members of the Subcommittee. My name is Salvatore Gravano. Early in my life, I was given the nickname, "Sammy the Bull." I have been in jail since December of 1990, when I was arrested with John Gotti. I was his underboss and second in command of the Gambino family.

I have been involved with organized crime since 1968, when I became associated with a guy named "Shorty Sperto" of the Colombo family. I committed many types of crimes when I was with "Shorty," including my first murder. In 1972, I was officially released from the Colombo family to the Gambino family. I became a "made" member of the Gambino family in 1976. At that time, Paul Castellano was the boss of the Gambino family.

In December of 1985, John Gotti and I, along with some others, murdered Paul Castellano. We then took over our family. John Gotti became the boss. A couple of weeks later, I became a captain. In 1987, I became acting consigliere of our family. I later became the official consigliere. Then in January of 1990, I accepted the position of official underboss, which I held until I began to cooperate with the government in 1991.

I decided to cooperate before we—meaning me, John Gotti and our acting consigliere, Frank Locascio—went to trial. I testified in that trial and some other trials. I will be testifying at more trials in the near future. As part of my deal with the government, I pleaded guilty to a charge that has a 20 year maximum sentence, rather than the life sentence that I was facing if I was convicted at trial. As part of my cooperation, I have told the government about my life of crime, including the fact that I participated in 19 murders.

As a member of our family's administration, I helped John Gotti run the family. My primary responsibility was controlling the construction industry in New York. I

did this by working with union officials and companies that were owned or controlled by our family, and by dealing with other families, which also controlled certain unions and companies.

I have been asked to testify here today about the mob's involvement in professional boxing. I don't know much about what other families have been doing in boxing, but I do know about our family.

The Gambino family had basically gotten out of boxing some time around, or before, 1960. We were involved in other things that made more money. But I have always had an interest in boxing. I boxed a little when I was in the Army, and I picked it up again a few years before I was arrested. I would go down to Gleason's Gym in Brooklyn every week and work out. Sometimes, I would go a few rounds with other people who trained there. I often attended fights in New York and New Jersey, including the Mike Tyson-Larry Holmes fight in 1988 in Atlantic City, which I attended with John Gotti.

I got to know a heavyweight named Renaldo Snipes and his manager, who I knew as Sal. I tried to set up a fight between Snipes and Francesco Damiani, who was the undefeated European and WBO heavyweight champ. Damiani was with an organized crime family in Italy. Since our family had close ties with the Italian family, I was able to set up a meeting with Damiani's people. They came to New York, and we discussed the possibility of a fight with Snipes. At that time, Damiani was already scheduled to fight Ray Mercer.

One of the things I did to try to arrange a Damiani-Snipes fight was to reach out to set up a meeting with the guy who was in charge of boxing for Donald Trump. I believe his name was Mark Etes. Snipes, his manager Sal, and I met with this Mark in Atlantic City, he told us that a fight between Damiani and Snipes would sell. Mark thought it would be even bigger if Snipes had a high ranking with one of boxing's sanctioning bodies.

Joe Watts, who is an associate in our family, told me that he had someone in Las Vegas who could help us get a ranking for Snipes. Watts arranged a meeting for me with Joey Curtis, a boxing referee in Las Vegas. Joey Curtis had once visited our club, the Ravenite Social Club, in New York City.

So I went to Las Vegas with two of my friends and our wives. After we had dinner with Curtis, I took him aside and asked him if he could get Snipes moved up in the rankings. Curtis said he could move Snipes up in the rankings of the World Boxing Council, which is based in Mexico. Curtis said that this would cost \$10,000, but, because it was a favor for John Gotti, he might be able to get it done for \$5,000.

My idea all along was to use the Damiani-Snipes fight as a set up fight to get Damiani a big payday against Mike Tyson. My plan was for Snipes to have a high ranking, and then make it look good, but lose to Damiani. I never discussed this with Snipes because Damiani lost to Mercer, which put Damiani out of the picture for a major fight. I'm sure that we would have had no problem in convincing Snipes to lose.

Another boxer our family has an interest in is Buddy McGirt, who recently lost the WBC welterweight title. His manager is Al Certo, who is a Gambino family associate. Al Certo is with JoJo Corozzo, who is a "made" member of our family.

I know Al Certo is with our family because JoJo put it on record with his captain, Peter Gotti. Also, a "beef" came up between our family and the Bufalino family about who McGirt was with. Eddie Sciandra, the consigliere of the Bufalino family, complained to John Gotti that the Bufalinos had a piece of McGirt. Gotti told me to arrange a meeting with Sciandra and JoJo to resolve the "beef." I actually had several meetings with JoJo and Sciandra about this. JoJo said that he had paid Sciandra some money to walk away from McGirt, but now Sciandra wanted back in because McGirt had done well and was getting bigger purses. After hearing both of them, I recommended to John Gotti that JoJo was right, and that McGirt should stay with JoJo and our family. Eddie Sciandra was not satisfied with my decision, and kept coming back for more meetings. I got tired of meeting with Sciandra about this, but, out of respect for his position and age, we had Frank Locascio, who was part of our administration, continue to talk to him. But our position never changed. Certo and McGirt stayed with our family.

I should point out that the person who was with us was really Al Certo. His relationship with JoJo Corozzo is how we had a piece of McGirt. McGirt is a fighter, and, although Certo brought him by the club once and introduced him to some people, it really wouldn't be fair for me to say that he is an associate of organized crime. But Certo was with us, and that gave us our interest in McGirt.

Our family was not the only family involved in boxing. Although I do not know the details, I know that several other families are involved in boxing in some way. But you should know that our involvement in boxing has changed from the way it

used to be. A lot of people think that organized crime makes money by fixing fights and betting on the winner. That really doesn't happen anymore. The purses have gotten so big that it doesn't make sense to fix a fight in order to collect on a bet. While we would consider fixing a fight in order to set up for a big payday fight—like I had in mind for Damiani—the money is in the purses, not in betting. Besides, boxing is a risky business for bookmakers—you couldn't bet big money on a fight even if you wanted to.

So, the interest today is in getting a piece of a successful boxer. Until a boxer reaches a certain level, there is not much money to be made because the purses are small. But, once a boxer becomes successful, the family that has him can profit from that success. Now, because the size of the purses have gotten so big over the past 20 years, organized crime is more and more interested in getting back into it.

I will be happy to answer any questions that you might have about organized crime and boxing.

PREPARED STATEMENT OF MR. GOODMAN

My name is Bob Goodman, and I am Vice President and Matchmaker for Madison Square Garden Boxing. Since we hosted our first fight involving John L. Sullivan nearly a century ago, the Garden has been an upstanding and conscientious member of the boxing community. To ensure our ability to continue to bring fights to the people of New York City, we have served as a promoter of boxing events in addition to our role as a world-class venue for boxing contests.

We are a promoter in the classic meaning of the term—we arrange matches and promote them. To facilitate our role in this endeavor, we enter into exclusive, long-term, promotional agreements with some fighters. In these contracts, which are common and essential to the boxing industry, the promoter receives promotional rights while providing the boxer with financial consideration and guaranteed minimum purse amounts with respect to future bouts. These contracts benefit both the athletes and the promoters. They are universally recognized as essential vehicles by which fighters are able to develop their skills in a manner that will assure them fair compensation while, at the same time, providing the promoter with a fair opportunity to generate a return from its risk-intensive business.

We serve sole as a promoter and venue for professional fights. Our relationship with boxers is arms-length, proper, and legal. None of the concerns that have been expressed about promoter conflicts of interest at previous hearings apply to Madison Square Garden. We do not manage, train, or provide financial advice to fighters with whom we deal.

As previously communicated to Senator Roth by Robert Gutkowski, president of Madison Square Garden, my company supports the creation of a Federal Boxing Commission to establish uniform national regulations to govern the sport of boxing. We believe that the establishment of uniform standards can help protect the health and safety of professional fighters. At the same time, more effective regulation of boxing should inure to the benefit of the many honest individuals and companies involved in boxing by improving public confidence in the conduct of the sport.

Because our views are similar to those expressed before this Subcommittee by Mr. Abraham of HBO Sports and Mr. Aresco of ESPN 3 weeks ago, we will not cover the same ground in the interest of time.

I personally and MSG as a company have at all times acted forthrightly and sought in good faith to fully comply with all applicable regulatory provisions of the various States in which we promote fights. We have also cooperated fully with this Subcommittee and hope we have assisted your investigation. Nonetheless, a few questions have arisen about our role in the match between James "Buddy" McGirt and Simon Brown on November 29, 1991. This match, held at the Mirage Hotel in Las Vegas, is one of the few fights taking place in the State of Nevada with which we have been involved.

The questions that have arisen about MSG revolve around the differences between two contracts we signed with Buddy McGirt and his manager—one a standard contract required by the Nevada Athletic Commission and executed under Nevada law on November 22, 1991, one week before the fight, and a contract executed on November 26 in what has been referred to as the "New York contract." A cursory examination of the two contracts could give rise to an interpretation that we were attempting to bypass Nevada regulatory requirements. However, an examination of the actual facts clearly demonstrates that not to be the case.

In paragraph 2 of the Nevada standard contract, we only noted the actual purse amount and did not make reference to \$75,000 in training expenses we had agreed

to pay to Mr. McGirt and his manager, an amount mentioned in the New York contract signed four days later. We did not include the training expenses, which had previously been paid to Mr. McGirt and his manager, in paragraph 2 for the simple reason that we concluded that the Nevada form agreement only required the actual purse amount. We continue to believe that this interpretation is consistent with the language of the Nevada form agreement.

The training expenses we contracted to pay for the McGirt/Brown fight, approximately 10 percent of the total amount paid, were customary and fully consistent with the standard practices of professional boxing, not only within Nevada but throughout the United States. We acknowledge that we paid these training expenses without the prior approval of the Nevada Athletic Commission. We were totally unaware of any obligation to secure Nevada Athletic Commission approval before paying those expenses in advance of the fight. Had we known about this requirement, we would have simply requested the requisite approval. We had no reason not to; given that we were following standard industry practices, there is simply no doubt in our mind that a request made by MSG or Mr. McGirt's manager would have been approved. Our actions were honest and straightforward. If there was a mistake, it was entirely inadvertent.

The second issue that has arisen concerns a provision of the New York contract which purportedly gives MSG the exclusive rights to promote Mr. McGirt's next five bouts. The staff of this Subcommittee suggested in a public statement on March 10 that this provision was executed as part of the New York contract in order to avoid Nevada rules against "multiple option contracts." While we understand how one could draw this conclusion, nothing could be further from the truth.

The staff's March 10 statement has a very concise description of multiple option contracts, noting that "[i]n a typical option contract the promoter of the current champion agrees to give a potential challenger an opportunity for a match only if the challenger agrees that, should he win, the challenger will fight exclusively for the promoter for a certain number of future fights." Thus, a multiple option contract constitutes an agreement between a professional fighter and the promoter of a rival boxer, where the first fighters and the rival's promoter have no contractual relationship at the time the fight and the option contract is executed.

This description, however, does not describe the reality of our relationship with Mr. McGirt at the time of his fight with Simon Brown. At that time, MSG and Mr. McGirt were already parties to a long-term, pre-existing promotional agreement under which McGirt, for substantial consideration, had granted to MSG the exclusive right to promote, or at our election to co-promote, all of his bouts for five years. As I noted earlier, such agreements are common and universally recognized as beneficial to fighters because they are able to develop their skills while being assured of fair compensation.

In this context, the "options" provision of the New York contract granted MSG no rights we did not already have in our prior arrangements with Mr. McGirt, and it imposed no new restrictions and conditions on him.

The provision was included in the New York contract for one reason only, one that had nothing to do with our legal obligations and rights with respect to Mr. McGirt. Under the terms of the McGirt/Brown match, Mr. Brown's promoter Don King had the right to co-promote with MSG the next five McGirt fights.

MSG acceded to King's request for co-promotional rights for the five bouts with the full knowledge and urging of Mr. McGirt's manager. MSG decided to grant such rights because it permitted the McGirt/Brown fight to take place—a bout that would clearly advance McGirt's career; in fact, McGirt won this fight making him the world welterweight champion. It is critical to point out that this grant had no effect whatsoever on McGirt's future earnings, his legal rights, or his legal responsibilities.

Before the McGirt/Brown bout, Don King made repeated requests for evidence that MSG had the right to promote, and thereby to grant co-promotion rights, to Mr. McGirt's next five matches. In the hectic days and under the intense pressure of pre-fight activities. I decided that the five-bout provision in the New York contract should be entered into with the thought that it could be shown to Mr. King and thus allay his concerns. After executing the New York contract, I realized that as a means of addressing Mr. King's concerns it served no purpose in view of our long term promotional agreement with McGirt. Ultimately, I was able to convince Mr. King, without showing him the relevant documentation, that by virtue of our promotional agreement with Mr. McGirt we possessed the necessary promotional rights.

The New York contract did not violate Nevada rules proscribing multiple option contracts because the "options" contemplated by that agreement had no effect in

light of our long-term promotional agreement with Mr. McGirt. It neither in substance nor spirit represented an effort to evade or circumvent Nevada's rules on multiple option contracts.

Mr. Chairman, in conclusion, I would again state that Madison Square Garden supports the effort of this Subcommittee to examine professional boxing and to enact meaningful national reform legislation. I hope that my statement is helpful and that I have answered any concerns raised at previous hearings about our role. I will be pleased to answer any questions you might have.

PREPARED STATEMENT OF MR. LICARI

Mr. Chairman and Members of this Subcommittee:

After reading the press release setting forth the basis for this investigation and these hearings, I believe it necessary to provide a brief opening statement for the record regarding my investment in Bobby Czyz and our personal relationship so that hopefully all will view this relationship in its proper perspective. Let me start by saying that I welcome you to confirm with Mr. Czyz or his professional staff the accuracy of anything I may tell you regarding our twelve year relationship or the financial transactions between us.

Approximately 30 years ago I, along with my partner started a company known as Solid State. Together we worked five, six and often seven days per week to build it into a very successful distributor of computer components which has furnished employment for many, many people. The continued financial success of Solid State has allowed us to make other investments both within and outside of its industry.

One of those investments was a \$300,000 investment made in 1981 for the purchase of a 26 percent interest in the net proceeds to be derived by Bobby Czyz for his boxing matches. That investment was not done in a surreptitious manner and has always been open to the scrutiny of anyone having a legitimate purpose to do so. Our entitlement to 26 percent of the fighter's net proceeds was initially limited in duration and gave us absolutely no voice in any issue relating to the fighter or the actual boxing event itself. To this date neither I nor my partner have ever been directly or indirectly involved in any decision relating to the training of Bobby Czyz, who he fought, where he fought, the promotion of the fight or any other aspect of the fighter or the boxing matches in which he was engaged. Nor has our opinion ever been solicited regarding any of these issues. In fact, I have rarely ever spoken to his trainer or any of his professional staff. My sole involvement has been after the event, and even at that we rarely questioned Mr. Czyz when he informed us as to the amount of his net proceeds.

To this end the Committee should be aware that since 1981 my partner and I have received a total of \$288,277 returned on our \$300,000 investment over twelve years. During that time period bobby has also asked us as his friends for various loans such as on one occasion he needed monies to enable him to pay for his wedding and on another occasion he needed monies to purchase a home. In total his loans have amounted to \$80,000 of which only \$30,000 has been repaid to date. These loans have always been interest free.

Thus, of our \$300,000 investment, we have seen a return of \$288,277 and are owed an additional \$50,000, leaving us with a net return of \$238,277 over twelve years. Again, all of these financial transactions are documented and have always been available for review by the appropriate authorities, such as your Committee.

You should also be aware that often Mr. Czyz has been unable to pay us our share after a fight advising us that his obligations to the Internal Revenue Service consumed his share of the pie. For instance, in his last two fights in Las Vegas he advised us that our share was \$73,000 and \$38,000, neither of which did he pay because of his financial inability to do so. We have always trusted Bobby's representations to us concerning the amount of his net proceeds as well as his statements that he could not pay us our share but would make it up to us in future fights.

Thus, I think you can see that our investment in Bobby Czyz has been less than a successful business venture. However, our relationship has always been warm, and I believe Bobby would confirm to you that we have always done our very best to help him through some difficult setbacks in his life. When considering the issue of whether or not Andrew Licari's investment has been of value to the life and boxing career of Bobby Czyz, or detracted from it, I respectfully suggest to you that this question is best answered by Bobby himself. As you all know, he is an extremely intelligent young man who can think for himself. I am willing to live with his answer.

The Committee should also be aware that this investment in Bobby Czyz has been the sole investment made by me or my partner in the boxing industry. The Committee should further be aware that we have earned no monies from Mr. Czyz or his boxing matches, other than those I have set forth. There has been no ancillary income from our investment in Mr. Czyz.

I believe it also important to provide you with a brief statement concerning any alleged involvement by me in any criminal activity. I unequivocally deny being involved in criminal activity of any nature. I further do unequivocally deny being involved in any organization which is involved in criminal activity. I have confirmed to your staff that approximately 30 years ago I was arrested for the crime of possession of lottery slips. I entered a plea of guilty to that charge and served a probationary term while paying a fine. I have not been convicted of a crime since that date, and the two arrests shown on my record thereafter were dismissed because they were baseless. I know of no one who could truthfully testify in any court of law that I am engaged in criminal activity.

Your staff has asked me questions concerning my relationship to many individuals, some of whom have been reported in the newspapers to be engaged in organized criminal activity. I have truthfully advised your staff that I am familiar with some of those individuals and have known them since childhood. Your staff will also confirm that many of the names that they asked me about I was totally unfamiliar with. While I have maintained casual, friendly relationships with individuals about whom the Committee has asked me, my relationship with those individuals has been nothing more than a casual, friendly relationship. I do not see them on a regular basis and may not see or hear from many of these individuals for many years. The essential point I wish to make to this Committee is that my friendliness with any individual has never affected in any way whatsoever my business or personal relationship with Bobby Czyz.

In essence, I simply wish to convey to this Subcommittee that I made an investment in Bobby Czyz several years ago of significant monies legitimately earned from my business. That investment has not proven to be a good one. Further, while my casual, friendly relationships with individuals with whom I grew up may have continued from time to time, I am not engaged in any criminal activity, nor am I a member of any group that is engaged in criminal activity. I am simply a reputable businessman of long standing whose daily activities include working 8 to 10 hours per day and going home to his wife, daughter and grandchild at the end of the business day.

Organized Crime Involvement in Professional Boxing

James "Buddy" McGirt
Former WBC Welterweight World Champion
Former IBF Junior
Welterweight World Champion

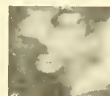
At least
33 1/3%
of earnings



Alfred F. Cerlissimo
aka Al Cerlo
Co manager, Licensed in New York
Licensed as second in Nevada
Formerly, Licensed in New Jersey
Associate, Gambino Crime Family
Associate, Genovese Crime Family
Associate, Lucchese Crime Family
(Manhought conviction 1972)



Stuart H. Weiner
Unlicensed "Co Manager"
Previously licensed as second in Nevada
Associate, Gambino Crime Family
Member, Conzozo Crime
Family
Gambino Crime Family
Unlicensed Co-Conspirator
N.Y. Conzozo et al (Ind #1158-92)
(Assault conviction 1985)



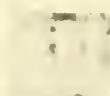
Andrew L. Lcarl
Unlicensed "Investor"
Member, Lucchese Crime Family
(Larceny arrest 1989;
gun possession arrest 1981;
gambling conviction 1980)



Andrew Dembowski
Unlicensed "Investor"
Associate, Lucchese Crime Family
(Gambling conviction late 1950's)



Leonard 'Lenny' Minuto
Unlicensed "Advisor"
Associate, Lucchese Crime Family
(Convicted of bribing a public official
in 1983; seven gambling-related
convictions 1976-1981)



John Joseph Conli
Soldier, Lucchese Crime Family
(Indicted for conspiracy to
defraud casino 1992;
various gambling arrests
1960-1970; one conviction)

Bobby Czyz
WBA Cruiserweight World Champion
Former IBF Light
Heavyweight World Champion

At least
25%
of earnings



Iran Barkley
Former IBF Super Middleweight
World Champion
Former WBC Middleweight
World Champion

At least
10%
of earnings



Joseph "JoJo" Conzozo, Sr.
Soldier, Gambino Crime Family
(Indicted for enterprise conspiracy in 1992;
Three tax evasion convictions 1979-1981;
Loan sharking conviction 1978;
Possession of loan sharking records,
conviction 1974; Assault conviction 1962;
Various extortion, gambling, bribery, and other arrests)



Edward Eddie Scianora
Acting Boss and Consigliere,
Bulitano Crime Family
(Convicted of income tax evasion 1982)

Senate Permanent Subcommittee
on Investigations

* Prepared by the U.S. Senate Permanent Subcommittee on Investigations

EXHIBIT 1

Flow of Funds

James "Buddy" McGirt vs. Simon Brown,
WBC Welterweight Title Bout
Las Vegas, Nevada 11/29/91

Don King Productions (DKP)
Co-Promoter

\$800,000
(Pursuant to New York Contract)



Madison Square Garden (MSG)
Co-Promoter
(Retains \$50,000 promotional
fee pursuant to 11/26/91 agreement
between MSG and McGirt)

\$700,000
Pursuant to 11/26/91 Bout Agreement with
Options signed by MSG,
McGirt and Alfred Certissimo aka Al Certo
of Alfred Certissimo Inc. (ACI)

\$625,000
Purse
(Pursuant to
Nevada Contract)

\$75,000
Training Expenses
(Paid from MSG to ACI
through 2 checks:
\$50,000 check 7/2/91
and \$25,000 check 10/16/91)

\$18,750
(Check #066792
from MSG to WBC,
11/26/91 for 3%
sanctioning fee)

\$566,250
(Check #505395
from MSG to ACI
11/27/91)

\$40,000
(Undated MSG letter
indicates cash payment from
MSG to Stuart Weiner; MSG
assets check #505394 of 11/27/91
from MSG to ACI is the receipt)

\$50,000
McGirt's advance to MSG
(Repaid to Alfred Certissimo Inc. (ACI)
through \$25,000 check 2/20/92 and \$25,000
check 3/13/92, pursuant to 11/26/91
agreement between MSG and McGirt)

Senate Permanent Subcommittee
on Investigations

EXHIBIT # 4



Senate Permanent Subcommittee
on Investigations

EXHIBIT # 8

gas

Senate Permanent Subcommittee
on Investigations

1

EXHIBIT # 15

GAS_

UNITED STATES SENATE
COMMITTEE ON GOVERNMENTAL AFFAIRS
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

- - - - -X
In Re: :
: :
CORRUPTION IN PROFESSIONAL BOXING :
: :
: :
- - - - -X

Friday, April 30, 1993

Washington, D.C. 20011

The deposition of IRAN BARKLEY, called for examination by counsel for the Permanent Subcommittee on Investigations, in the above matter, pursuant to notice at Russell Senate Office Building, Room 192, Washington, D.C., convened at 11:40 a.m., before Gwen A. Schlemmer, a notary public in and for the District of Columbia, when were present on behalf of the parties:

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APPEARANCES:

On Behalf of the United States Senate, Permanent
Subcommittee on Investigations:

DANIEL F. RINZEL, ESQ.
W. LEIGHTON LORD III, ESQ.
STEPHEN H. LEVIN, ESQ.

On Behalf of Iran Barkley:

MARK H. TUOHEY III, ESQ.
Reed, Smith, Shaw & McClay
1200 18th Street, N.W.
Washington, D.C. 20036
202/457-8668

ALSO PRESENT:

HAROLD LIPPMAN, Investigator
Permanent Subcommittee on Investigations

R. JEFFERY GREENE, Investigator
Reed, Smith, Shaw & McClay

- - -

E X H I B I T S

NUMBERPAGE

1
2

3
21

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AFFIDAVIT OF IRAN BARKLEY

Iran Barkley, being duly sworn, deposes and says:

1. I am a professional boxer and I currently reside at 326 Prospect Avenue, Apartment 10-G, Hackensack, New Jersey 07601. This affidavit is for the purpose of explaining my absence at the April 1, 1993 hearing before the United States Senate Permanent Subcommittee on Investigations.

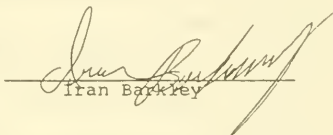
2. In March, 1993, my attorney informed me that the Subcommittee wanted to subpoena me to testify at a hearing about the information I had previously given the Subcommittee staff in deposition. I authorized my attorney to accept service of the subpoena. I was later advised by my attorney of the April 1, 1993 hearing date, and I intended to fully comply.

3. In the last week of March, 1993, I moved my family from upstate New York to New Jersey. During the last weekend in March, and due in part to the move and the weather, I got a bad case of the flu. I was in bed with the stomach flu for about 10 days.

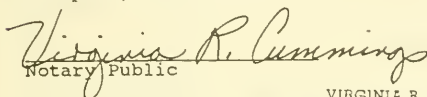
4. During this period when I was in bed with the flu, I completely forgot about the hearing date. Unfortunately, having just moved into my new home, arrangements had not been finalized for telephone service, and so it was not until early April that the telephone was hooked up. As a result, my attorney could not

get in touch with me, and I failed to get in touch with him because of the illness.

5. I apologize to the Subcommittee for any inconvenience my absence has caused. Although my illness would have prevented me from appearing on April 1, this illness was no excuse for not making an attempt to notify my attorney. Due to the fact that I spent the last week in March in bed, it completely slipped my mind. I want to emphasize, however, that it has always been my intent to cooperate with the Subcommittee.


Iran Barkley

Subscribed and sworn to
before me this 30th day
of April, 1993


Notary Public

My commission expires VIRGINIA R. CUMMINGS
Notary Public, District of Columbia
My Commission Expires July 31, 1994

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P R O C E E D I N G S

Whereupon,

IRAN BARKLEY

was called as a witness and, after being first duly sworn,
was examined and testified as follows:

MR. LORD: Would your attorney identify himself for
the record.

MR. TUOHEY: My name is Mark Tuohey. I am in the
firm of Reed, Smith, Shaw & McCley. My colleague is Jeff
Greene, from the firm, is with me, and we represent Mr.
Barkley.

I have the original of the affidavit that I faxed
over to you, at your request.

MR. LORD: This is an affidavit of Iran Barkley. I
would like to have this marked as Exhibit 1 and made a part
of the record.

[Exhibit No. 1 was marked for
identification.]

EXAMINATION BY COUNSEL FOR THE
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

BY MR. LORD:

Q Mr. Barkley, I am handing you what we have marked
Exhibit No. 1. Would you identify that for the record,
please.

A Yes, this is an affidavit that my attorney handed

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1 to me, to sign it, for the record.

2 Q Are all the statements made in that affidavit true?

3 A Yes, it is.

4 Q We would like to ask you some more questions about
5 the affidavit in one second.

6 Could you state your name for the record.

7 A Iran Barkley.

8 Q I will make a brief statement before we start with
9 the questions.

10 The Permanent Subcommittee on Investigations has
11 been conducting an investigation of corruption in profes-
12 sional boxing. As part of the investigation, the Subcommit-
13 tee staff has taken depositions, among other things, and the
14 Subcommittee has held a series of public hearings.

15 On December 16, 1992, the Subcommittee took Iran
16 Barkley's deposition. That deposition has been made a part
17 of the hearing record, and we will be referring to that
18 throughout this deposition.

19 Some time after that deposition, the Subcommittee
20 subpoenaed Mr. Barkley to appear at a public hearing that was
21 held on April 1, 1993. Mr. Barkley did not appear at that
22 hearing and, for that reason, we are, today, taking his
23 deposition.

24 Mr. Barkley, I would like to start by asking you a
few questions about the Affidavit of Iran Barkley, which is

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1 Exhibit No. 1. Is it true that your attorney informed you
2 that the Subcommittee wanted to subpoena you to testify at a
3 public hearing?

4 A Yeah, he informed me but, at the time that he
5 informed me, I was sick.

6 Q I will ask you the questions in a series, if you
7 can just give a yes or no answer to them.

8 Did you then authorize your attorney to accept
9 service of the subpoena on your behalf?

10 A Yes.

11 Q Did your attorney then advise you that the hearing
12 date had been set for April 1, 1993?

13 A Yes.

14 Q Were you intending to appear before the Subcom-
15 mittee on April 1, 1993?

16 A Yes, I was.

17 Q Is it true that, during the period immediately
18 prior to the hearing, April 1, 1993, you were in the process
19 of moving your family from Upstate New York to New Jersey?

20 A Yes.

21 Q And that, also during that period of time, you
22 contracted the flu -- a bad stomach flu -- for a period of
23 around 10 days?

24 A Yes.

25 Q In your affidavit, you state that the reason that

gas

1 you forgot about the hearing date was that you had the flu
2 and were in bed suffering from the flu.

3 A Yes.

4 Q Then is it true that you forgot about the April 1,
5 1993, hearing date?

6 A Yes, I had.

7 Q When did you remember that there was an April 1,
8 1993, hearing date that you were to appear before?

9 A I remembered when I started seeing, you know, bits
10 and pieces on the news.

11 Q So you did not recall the hearing date before.

12 A No.

13 Q During this time when you were sick with the flu
14 and you were moving, did you at any time try to contact your
15 attorney about your illness and your situation?

16 A Yes, I did.

17 Q When was this?

18 A This was, I think, the time before, like, I got
19 ill. I had spoken to my mother, and I was telling her,
20 because I didn't have a phone at the time -- I called her
21 from a pay phone -- and I told her, "I'm moving, and I'm real
22 sick and, if my attorney calls, just let him know, because I
23 don't really know what date I was supposed to go down."

24 Q Did your attorney, in fact, contact you during this
period?

gas

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1 A Well, he contacted my mother, and it was a message
2 told to me.

3 Q What was the message?

4 A The message was that I was supposed to be down
5 here. I then replied back to her the reason why I couldn't
6 come.

7 Q Then did your mother then communicate this to your
8 attorney?

9 A Yes, she did.

10 Q When it came time for the hearing, around April 1,
11 did you then try to contact your mother or contact anyone
12 about your illness?

13 A Yes, I stayed in contact with her, but I was like
14 lost in sources somewhere, you know, when I got sick. I was,
15 like, going back and forth hospitals. I kept missing calls
16 on him and he kept missing calls on me.

17 Q At about the time of April 1, 1993, did your
18 attorney call you or talk to you directly about you appear-
19 ing?

20 A Yes. He called me. He got word to me that I was
21 supposed to appear. My mother related the information to me,
22 and I then called him, when I got situated, which my phones
23 were still not on, yet. So I went to my mother's house and
24 then I contacted him.

25 Q What did you say to him when you contacted him

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8

1 then?

2 A I told him, I said, "I have the flu and I'm very
3 sick and I'm not going to be able to make it."

4 Q When was this?

5 A I can't remember the exact date.

6 BY MR. RINZEL:

7 Q Was that after the hearing was already held?

8 A It was like after the hearing was all over and
9 everything, I guess, you know, because I told him, I said,
10 "Well, if they still want me to come, I'll come." I didn't
11 know at that time that I was supposed to appear.

12 BY MR. LORD:

13 Q Was there any way for your attorney to contact you
14 directly immediately before the hearing?

15 A No, there wasn't.

16 Q Why was this?

17 A Because I was moving and I didn't have no phones.

18 Q You mentioned that you discussed this with your
19 mother because she was relaying messages to you. Did you
20 discuss your appearing before the Subcommittee with any other
21 individuals?

22 A No.

23 Q Did anyone discuss your appearing before the
24 Subcommittee with you?

25 A No.

gas

9

1 Q Did you talk to your trainer or any of the boxing
2 people you work with about your appearing before the Subcom-
3 mittee?

4 A I have spoke to no one but my mother. At that time
5 that I was supposed to appear, I felt in me I was saying,
6 hey, I know I'm supposed to go down there, I think. The only
7 other person I spoke to was my fiancée, I think. I said, "I
8 think I'm supposed to be there, but I don't know how to get in
9 touch with --, you know, the dates or whatever." I said,
10 "But I'm sick and I'm lost in this thing. I am hallucinating
11 a little bit. I don't know. I am lost on these dates."

12 Q What is the name of your fiancée?

13 A Laura Smith.

14 Q At the time immediately preceding the hearing,
15 there were press reports about the hearings coming out.
16 People were talking about them. Did any of the boxing press
17 try to contact you about your future appearance before the
18 Subcommittee?

19 A No one. No one at all.

20 Q Any time after your fight on February 13th, when
21 you were talking to a lot of people -- you were in Las Vegas
22 -- did anyone talk to you then about your appearing before
23 the Subcommittee?

24 A No, nothing like that was discussed about appearing
to the Committee, or whatever. I didn't think many people

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1 knew about it.

2 Q Some boxing people whom we have spoken to, probab-
3 ly, were interested in this topic. A couple of them -- Stan
4 Hoffman, whom we have spoken to -- did Stan Hoffman talk to
5 you about your appearing before the Subcommittee?

6 A No, he didn't.

7 Q Did you talk to Stan about that?

8 A Never did.

9 Q How about your advisor, Lenny Minuto; did either of
10 you discuss your appearing before the Subcommittee?

11 A No.

12 Q Were you aware that Lenny Minuto had been sub-
13 poenaed, and he was coming to the April 1, 1993, hearing?

14 A No, I wasn't. I wasn't aware that he was coming to
15 the April 1 hearing, not at all.

16 Q Were you aware that he was going to come to the
17 Senate to talk about his activities in professional boxing?

18 A I wasn't aware that he was even going to come. You
19 know, I mean, as far as I knew from Mr. Arum, I think
20 mentioning that I had to come to something like this, he
21 never mentioned that Lenny was going to be here.

22 Q So Bob Arum was aware that you were going to appear
23 before the Subcommittee?

24 A Yeah, he gave me some papers on it or something, I
25 think.

gas

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1 Q What papers were those?

2 A That I had to come to see a Committee or something
3 -- a hearing or something to discuss boxing.

4 Q Bob Arum gave you papers regarding your appearance
5 before the Subcommittee?

6 A Not papers. He mentioned it. He had papers in his
7 hand saying that you might go before the Subcommittee
8 hearing, to hear about this boxing stuff.

9 Q Are you talking about newspapers or documents?

10 A Newspapers, like, you know, just mentioning that
11 you might have to go down and testify, or something.

12 I said, "About what?"

13 He said, "Boxing," or something. He said, "But
14 it's nothing."

15 I said, "Okay."

16 Q Besides saying that it was nothing, what else did
17 Bob Arum tell you about testifying before the Subcommittee?

18 A Nothing.

19 Q Did Bob Arum discuss any of his meetings with the
20 Subcommittee?

21 A No.

22 Q Did he give you any advice --

23 A No.

24 Q -- on how you should discuss your activities with
the Subcommittee?

gas

12

1 A No.

2 BY MR. RINZEL:

3 Q Where was this meeting with Bob Arum? Was this in
4 Las Vegas?

5 A This was in Vegas, I believe.

6 Q Was this before or after your fight with Toney?

7 A I can't really remember. It was, like, maybe,
8 after. I don't know.

9 Q After the fight with Toney?

10 A It might have been after.

11 Q Where were you at the time? Were you in Bob Arum's
12 offices --

13 A No.

14 Q -- or where were you?

15 A I think I was coming to the arena.

16 Q Coming to the arena?

17 A Like, Caesars Palace.

18 Q So you were -- what? -- in a restaurant or a room?

19 A No. I was getting ready to walk to, I believe, it
20 was like the press conference. I don't know. Like, a semi-
21 press conference or something.

22 Q So this was a press conference after the fight?

23 A It was, like, a little press conference before the
24 fight, I think, in the afternoon.

Q Before the fight?

gas

13

1 A Yeah.

2 Q And then Bob Arum was, of course, at this press
3 conference because he was the promoter of the fight; right?

4 A Yes.

5 Q Were you just together alone, or was there a group
6 of people around, or what?

7 A We was together alone. He, like, just mentioned
8 something that I might be going to a hearing.

9 Q And then he had some papers in his hand?

10 A Yeah. I don't know what the papers was. He had
11 some papers in his hand.

12 Q Did he try to show you the papers?

13 A No, he did not.

14 Q What did you think the papers were? Was he reading
15 from something or what?

16 A No. He just told me that I might have to go to a
17 hearing. I said, "Okay." I said, "I'll go." I said, "What
18 is it about?"

19 He said, "Just go."

20 Q Had you heard from your attorney before that time?
21 Were you aware already that a subpoena had been issued for
22 you for the hearing?

23 A Rightfully, I think I heard from my mother because
24 she kept saying someone was coming to the house.

Q So you had a message from your mother about --

gas

14

1 A A message from my mother that some --

2 Q A subpoena.

3 A She was saying cops.

4 Q Someone was trying to serve a subpoena on you.

5 A Yeah. She was saying cops and what did you do, and
6 I was, like, "I ain't did nothing."

7 Q So you were aware, at least, in general terms at
8 that time that you were going to be coming to the --

9 A Yeah.

10 Q Did you tell him that you had had your deposition
11 taken? Did you tell Bob Arum that you had been down to
12 Washington already and talked to the Subcommittee?

13 A I told him that I've been down and had spoken to
14 the people in Washington, and I didn't think I had to go
15 back.

16 Q Did he ask you what happened or what you said?

17 A No, he did not.

18 Q Did he ask you if his name came up?

19 A No, he did not.

20 Q He didn't express any curiosity at all about what
21 you had said in the deposition?

22 A We did not have a long conversation.

23 Q I understand it was a short conversation. But, if

24 you told him "I was already in Washington, I had talked to
the Subcommittee people, I gave a deposition," he certainly

gas

15

1 would have asked you, "Well, what happened?"

2 A If he asked me, I don't remember, really, but we
3 didn't have a long conversation on this. I said, "I ap-
4 peared." I just said I went down. It wasn't, like, was my
5 name coming up or did this happen.

6 Q Did he mention anything else? Did he mention Mr.
7 Minuto's name to you during this discussion?

8 A No, he did not.

9 Q Was Minuto around at this time?

10 A No, he wasn't present.

11 Q Was he at that press conference?

12 A He was at the press conference.

13 Q So he was in the area.

14 A He was in the area.

15 Q Did you have a discussion with Minuto about what
16 Bob Arum had talked to you about?

17 A No, I did not.

18 Q You never mentioned it to him?

19 A No, I did not.

20 Q Did you ever tell Minuto that you had been down at
21 the Senate to talk to them about boxing?

22 A Yeah. Everybody, you know, yeah.

23 Q Of course, you would have done that; right?

— 24 A Yeah.

Q You didn't try to keep it a secret from him?

gas

16

1 A Why should I?

2 Q Exactly. So my question is when did you talk to
3 him about it and what was the substance, or what did you talk
4 about? How did that conversation come about?

5 A To who?

6 Q Minuto.

7 A Well, I told him that Bob told me I might have to
8 go to Washington.

9 Q What did he say?

10 A He said, "For what?"

11 I said, "For the Senate hearings."

12 He said, "Oh, okay."

13 Q He said, "Oh, okay"?

14 A Yeah.

15 Q He didn't want to know what the issue was?

16 A No, he did not.

17 Q He didn't ask you if his name was going to come up?

18 A No, he didn't.

19 Q And he didn't tell you that he had been subpoenaed
20 to come, too?

21 A No, he did not tell me.

22 Q He didn't tell you that?

23 A He didn't tell me that, no.

— 24 Q You never heard that from him at some point?

25 A I never heard that from him until, like the end.

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gas

17

1 Q Oh, the end?

2 A Yes.

3 Q When was the end?

4 A When I heard everybody else was being subpoenaed.

5 Q How did you hear that and where did you hear that
6 from?

7 A Well, I heard it from, like, the gym talk.

8 Q Gym talk?

9 A Yeah. As a matter of fact, my trainer was saying
10 that he was subpoenaed.

11 Q Who is your trainer?

12 A Eddie Mustafa Muhammed. I said, "Well, if you're
13 subpoenaed and you gotta go down, I guess, Lenny gotta go
14 down."

15 Q What did he say about that?

16 A He said, "Everybody gotta go down."

17 Q Didn't you think to ask Lenny what this was all
18 about?

19 A I spoke to him about it, you know, after I spoke to
20 Mustafa. He said, "You know, it's nothing. You know that
21 everybody is being subpoenaed to go down and talk about
22 boxing."

23 I said, "Fine."

— 24 Q Did Lenny express any concern at all? I mean, was
he a little worried about this, or did he tell you what he

gas

18

1 was going to do, or what?

2 A No, he did not.

3 Q Did he say he wasn't going to talk? Did he say,
4 "I'm taking the Fifth?"

5 A No, he did not.

6 Q He didn't tell you that?

7 A No, he did not.

8 Q He didn't say anything at all about what he was
9 going to talk about?

10 A No. He just said that he was going down.

11 Q You know he did take the Fifth Amendment?

12 A Did he?

13 Q Do you know that?

14 A I didn't know that.

15 Q You didn't know that?

16 A No.

17 Q You have never talked to him since he came down
18 here?

19 A No, I never spoke to him.

20 Q Well, you must have spoken to him. You paid out
21 some money from this --

22 A Well, after I paid that money out, I mean, what he
23 do with his money is his business. I mean, I just pay what I
24 pay. Do you know what I am saying? Just like I paid

25 Mustafa, what he do with his money is his business. I never

gas

19

1 spoke to him about it neither. I never asked him what did
2 they say or, to anybody else, what did they say. We all went
3 about our business.

4 Q Did Mr. Minuto ever suggest to you that, maybe, you
5 should take the Fifth Amendment if you came down or not talk
6 about him?

7 A No.

8 Q Did he ever suggest to you, maybe, "You don't have
9 to go. They already took your deposition"?

10 A No, he did not.

11 Q He never said anything like that?

12 A No.

13 BY MR. LORD:

14 Q Along the same line of questioning. At your last
15 deposition, you mentioned a friendship with a John Joseph
16 Conti of Las Vegas; is that true?

17 A Yeah, I remember.

18 Q Were you in contact with Mr. Conti in connection
19 with the February 13th fight in Las Vegas?

20 A No.

21 Q Did you ever speak to him while you were out there?

22 A I seen John, like, one time, maybe.

23 Q Did Mr. Conti ever discuss your appearing before
24 the Subcommittee or your appearance for a deposition?

A No, he did not.

gas

20

1 Q Was he aware of your appearing before the Subcom-
2 mittee?

3 A I don't think so. I don't think he was. I don't
4 feel that he knew. You know, he didn't mention anything to
5 me.

6 Q What was the nature of your meeting with Mr. Conti
7 when you were in Las Vegas?

8 A It wasn't a meeting. It was just that, you know,
9 we just talked.

10 Q Where did you talk?

11 A We always talk. Somewhere where we eat, you know,
12 where I eat. I got a restaurant out there that I like to eat
13 in. He eats in that same restaurant.

14 Q What restaurant is that?

15 A It's closed now. Marbella's.

16 Q Did you both have a meal together at Marbella's?

17 A No, we did not. I mean, we just seen each other
18 there, and that was that.

19 Q Mr. Barkley, in connection with your appearance
20 here today, we asked your attorney if he couldn't contact you
21 and ask you to bring along financial records regarding the
22 February 13, 1993, fight that you had against James Toney in
23 Las Vegas. Have you brought any of these records along with
24 you today?

A No. Those are the records that I have right there.

gas

21

1 MR. TUOHEY: His question was did you bring those
2 today to this hearing.

3 THE WITNESS: Oh, yeah.

4 MR. LORD: We have two pages of documents that I
5 would like to mark as Exhibit No. 2 for the record.

6 [Exhibit No. 2 was marked for
7 identification.]

8 BY MR. LORD:

9 Q Mr. Barkley, I am going to hand you what has been
10 marked Exhibit No. 2 and, if you could, to the best of your
11 ability, identify what those two pages of documents represent.

12 A These are advances that Arum gave me, the payment
13 check, the net check that he gave me.

14 Q These appear to be check receipts; is that true?

15 A Yes.

16 Q I am going to ask you a few questions regarding
17 these check receipts. It appears from the top that -- well,
18 let me ask this, first, just to set this up: Is it true
19 that, on February 13, 1993, you fought James Toney in Las
20 Vegas, Nevada?

21 A Yes.

22 Q Is it also true that these documents, which are
23 marked as Exhibit No. 2, are concerning the payments that
24 were made to you from that fight?

25 A Yes.

BARKLEY, IRAN

CHECK NO 008-25

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00-026357 BARKLEY, IRAN

CHECK NO 0008637

PAYEE DETATCH THIS STATEMENT BEFORE DEPOSITING

00-026357 BARKLEY, IRAN

CHECK NO 0008586

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EXHIBIT
2
4/30/93 95

TOP RANK INC.

00-026357 BARKLEY, IRAN

CHECK NO 0008653

DATE	INVOICE NO	DESCRIPTION	AMOUNT	DEDUCTIONS	NET AMT.
02/04/93	0204	PURSE ADVANCE 2/13/93	10000.00	.00	10000
		403-158	10000.00		
04/93	0204/A	LESS MANAGER FEE/AHMED BEY 2/13/93	1000.00	.00	1000
		406-158	1000.00		
				.00	9000.

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

TOP RANK INC.

00-026357 BARKLEY, IRAN

CHECK NO 0008587

DATE	INVOICE NO	DESCRIPTION	AMOUNT	DEDUCTIONS	NET AMT.
01/27/93	0127/A	PURSE ADVANCE 2/13/93 LAS VEGAS, NV	5000.00	.00	5000
		403-158	5000.00		
				.00	5000

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

TOP RANK INC.

00-026357 BARKLEY, IRAN

CHECK NO 0008658

DATE	INVOICE NO	DESCRIPTION	AMOUNT	DEDUCTIONS	NET AMT.
02/09/93	0209	PURSE ADVANCE 2/13/93	10000.00	.00	10000
		403-158	10000.00		
				.00	10000

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

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22

1 Q On the top of the first --

2 MR. TUOHEY: Leighton, let me just correct. These
3 records reflect payments in connection with the fight. Some
4 of them are pre-fight advances and then there is a post-fight
5 check.

6 MR. LORD: Okay. Let me clarify.

7 BY MR. LORD:

8 Q Is it correct that these check receipts identify
9 payments made in connection with your February 13, 1993,
10 fight against James Toney?

11 A Yes.

12 Q On the top check receipt, it says that the purse,
13 2/13/93, Caesars Place, Las Vegas, \$1 million. Is it correct
14 that your purse for that fight was \$1 million?

15 A Yes.

16 Q Then the next line represents deductions. The
17 first deduction is license fee, \$15. Is it correct that that
18 is your license fee with the State of Nevada, as a profes-
19 sional boxer?

20 A Yes.

21 Q The next deduction is marked as approved advances,
22 \$45,000. Could you tell us what those approved advances are?

23 A Those advances that Bob Arum wrote out to me, like,
24 \$5,000 checks for, like, to pay my sparring partners and
advance me money to live out there, and stuff like that, from

gas

23

1 my purse.

2 MR. TUOHEY: I think you will find that the
3 underlying receipts, Dan, add up to about \$35,000, and this
4 is all Arum had.

5 BY MR. RINZEL:

6 Q This may not be a complete set of all the documents
7 that you got from Top Rank, in connection with this fight.

8 A No.

9 Q Is that what you are saying?

10 A Yeah.

11 Q I noted, as Mr. Tuohey has pointed out, that the
12 total advances listed here as purse advances total only
13 \$35,000; is that correct? Is that your understanding?

14 A Yeah.

15 Q From where did you get these records?

16 A Well, I got these records -- these are records that
17 I had brung back with me from Vegas that I had in my bag, but
18 the sheet that I was originally looking for, it was lost. I
19 had then called Top Rank to Federal Express me the rest of
20 it, so I know, you know, where I was standing. But, I guess,
21 it never got to me.

22 Q You haven't received --

23 A I haven't received it.

24 MR. TUOHEY: When it comes in, Dan, or if it
doesn't, I will call Top Rank to make sure we have a complete

gas

24

1 set, and I will submit them.

2 MR. RINZEL: We would appreciate that.

3 BY MR. LORD:

4 Q These approved advances, Mr. Barkley -- let me just
5 ask you very briefly -- what were these advances for?

6 A To pay my sparring partners, my living.

7 Q Whom do you go to get the advance?

8 A Top Rank.

9 Q Who in Top Rank gives you the advance?

10 A The accountant.

11 Q Who is the accountant?

12 A Ben.

13 Q What is his name?

14 A Ben. I don't know his last name. I just know him
15 as Ben.

16 Q Let me ask you about one specific purse advance.

17 On 2/4/93, on the second page, there is a purse advance for
18 \$10,000. Then, underneath, there seems to be a \$1,000
19 notation: "Less manager fee/Ahmed Bey." Could you explain
20 that purse advance for us.

21 A Less manager fee. That was paid to Ahmed Bey.

22 Q How much was paid to Ahmed Bey?

23 A I believe \$10,000.

24 MR. TUOHEY: Take a look.

THE WITNESS: \$1,000. Yeah, \$1,000.

gas

25

1 BY MR. LORD:

2 Q Why was Ahmed Bey given an advance at that time?

3 A It wasn't like an advance. It was like the balance
4 of \$1,000 that I owed him from the money that he was supposed
5 to receive.

6 Q Why did you owe him --

7 A Because he was supposed to get a cut, you know.

8 Q Let me back up. Who is Ahmed Bey?

9 A Who is Ahmed Bey?

10 Q Yes.

11 A Who is Ahmed Bey? Ahmed Bey is Ahmed Bey.

12 Q Would you identify your relationship to Ahmed Bey?

13 A I know him. He's a friend You know, he's a
14 friend.

15 Q What role does Ahmed Bey play in your boxing
16 career?

17 A He had played no role in my boxing career now, you
18 know, and he had played no role from the beginning. At the
19 time when I came back to boxing, Ahmed was friends with Top
20 Rank. At the time, Ahmed was also a friend of mine, from my
21 old manager John Reeze. What happened was, you know, I
22 didn't have nowhere else to, like, go to anyways of knowing
23 that, if Arum would speak to me or he would talk with
24 somebody else. See, Arum is a funny guy. He don't talk with
fighters. So I didn't have no other way in.

gas

26

1 Q So Ahmed Bey was your go-between with Top Rank?

2 A Go-between Top Rank; yeah.

3 Q On this check receipt, it says: less manager fee.

4 What does that mean?

5 A See, Ahmed at the time and, I think, the commis-
6 sioner who passed away -- God bless the dead -- Chuck Minker,
7 at the time, me and Ahmed was going through this thing. Like
8 I said, I was out of the thing. Ahmed was saying that, you
9 know, to help me, Arum wouldn't talk to me and, at the time,
10 I didn't know this, so he said Arum would not speak to the
11 fighter and that they don't want to have anything to do with
12 me, so he was my go-between, to get to Top Rank.

13 Then, when I found out that all I had to do was
14 just come and talk to Arum myself, he kind of like manipu-
15 lated me. Like I say, he manipulated me by using his
16 strength, by saying, hey, Arum is not going to talk to you,
17 so if you let me be the go-between, you know, I want to be
18 your manager.

19 I told him, "No, I don't want you as a manager, and
20 I don't need you as a manager."

21 Q So Ahmed Bey manipulated you to make you think that
22 he was more important than he actually was?

23 A That's right.

24 Q But you had to pay him for his services; is that
correct?

gas

27

1 A Oh, yeah. Then when the services caught on to me,
2 after I was in already and I found out little things, I just
3 talked to Arum myself, and then I was highly upset with
4 Ahmed, and I told him at the time -- I went back to Chuck
5 Minker when he was still alive. I told Chuck Minker, I said,
6 "I don't want him as my manager, and I don't want him going
7 around telling people he is my manager because he is not."

8 Chuck Minker said to me, "Iran, you signed a
9 contract with him."

10 I said, "Yeah, but that was the deal that you told
11 me. You told me any time that I wanted to get rid of him I
12 could get rid of him."

13 It didn't work out that way.

14 Q So at one time Ahmed Bey was your manager of
15 record?

16 A Yeah, one time of record.

17 Q And the manager's license was filed with the Nevada
18 commission?

19 A Boxing Commission, yes.

20 Q Through Chuck Minker?

21 A Through Chuck Minker.

22 Q And you said that Chuck Minker had some role in
23 this contract. What role did he play in Ahmed Bey becoming
24 your manager?

25 A Well, Chuck Minker was, like, he was the one that

gas

28

1 said -- like I told you before, I said I didn't want no
2 manager, I said, because this man is not giving me anything
3 up front, as a bonus to be my manager, and I don't think I
4 should just let him come along and let him get a free ride.

5 Q What was Chuck Minker's role?

6 A Chuck Minker's role was that he said, "Okay, Iran,
7 any time you sign this contract and any time you come to me
8 and say you don't want Ahmed no more, I will tear this
9 contract up and end of contract.

10 "Ahmed, do you understand that?"

11 "Yes."

12 "Iran, you understand that?"

13 "Yes."

14 But the man did not stick to his word. After he
15 passed on and everything, I told Ahmed myself, "You are not
16 my manager, and I don't care what the Boxing Commission has
17 said."

18 Q Did Chuck Minker give you any advice about signing
19 the contract? Did he tell you you should sign the contract
20 at that time?

21 A At the time, he was, like, "if you don't want a
22 manager, you don't have to have a manager, but my advice to
23 you is that you have to have a manager in Nevada." You know,
24 that's how everything happened.

Q And you respected his advice because he was

gas

29

1 speaking for the Nevada commission?

2 A Right.

3 Q This \$1,000 payment that was made to Ahmed Bey on
4 2/4/93, was that management fees that you owed him from the
5 past?

6 A Yeah, something that he did.

7 Q This \$1,000 payment made to Ahmed Bey that was
8 characterized as an advance from your Toney purse, was that
9 the only payment made to Ahmed Bey from your Toney purse?

10 A No.

11 Q What other payments were there?

12 A \$30,000.

13 Q For the record, is that the third deduction, which
14 is listed as check to Goodman & Chesnoff, on Exhibit No. 2?

15 A Yes.

16 Q So what was the total amount of money that was paid
17 to Ahmed Bey out of your Toney purse?

18 A \$30,000.

19 Q Plus the \$1,000 on the second page, which is
20 \$31,000.

21 A Yes.

22 Q Do you know why the check was made to Goodman &
23 Chesnoff?

24 A Because at the time Ahmed's attorney explained that
is the way he wanted the check made out to. That's what he

gas

30

1 said.

2 Q Who was his attorney?

3 A Mark Wyman.

4 Q Did Mr. Wyman explain to you that the check should
5 be made from you, but it was made from Top Rank to the law
6 firm, rather than to Ahmed Bey?

7 A Right.

8 Q But it was your understanding that this was money
9 that you had owed Ahmed Bey?

10 A Yeah.

11 BY MR. RINZEL:

12 Q Is Mr. Wyman a member of Goodman & Chesnoff law
13 firm, do you know?

14 A Not that I know of. I don't think he is.

15 Q He was the attorney for Ahmed Bey?

16 A Right.

17 Q Did he explain to you why the check should be made
18 to another law firm?

19 A Because at the time I had hired Goodman out there
20 in Vegas. I had hired them, and they was doing work for me.

21 Q What kind of work were they doing for you?

22 A Negotiation work. You know, what lawyers do.

23 Q Lawyers do lots of different things. They were
24 negotiating for what?

25 A This deal here. They was negotiating this deal

gas

31

1 here.

2 Q You are talking about the Toney fight now?

3 A No, not the Toney fight. The check with Chesnoff
4 and Ahmed because I told -- I mean, the check with Ahmed and
5 me. I told Ahmed, I said, "I am not going to pay you 10
6 percent." I said, "Either you take 3 percent or you get
7 nothing."

8 Q So then you were in a dispute with Ahmed over how
9 much --

10 A That's right.

11 Q -- you should pay him from this fight?

12 A Not only from this fight, but from previous fights.
13 You know, I said, "I don't think you should be getting paid
14 all this money because of the simple fact you ain't did
15 nothing."

16 Q As far as you were concerned, he was not your
17 manager?

18 A No, he didn't do nothing. I did it.

19 Q You did have a prior contract -- management
20 contract -- with him?

21 A Yes, I did.

22 Q Was that contract voided in some way, canceled?

23 A In my mind, it was.

24 Q Well, I understand in your mind. But did you go to
the Nevada Commission and tell them?

gas

32

1 A Yes, I did. I went to the commission and I told
2 them, and they were saying that you have to go through the
3 hearing, and you have to go through this and everything. So
4 what I did was I hired Chesnoff to work this deal out for me.
5 He worked it out for me between Ahmed Bey's lawyer and him,
6 and that was that.

7 Q How did you decide on this particular law firm?

8 A How?

9 Q Yes.

10 A Well, I heard about them.

11 Q Mr. Chesnoff is also Mr. Conti's attorney?

12 A Oh, he is, huh?

13 Q Yes.

14 A Well, I didn't know nothing about that.

15 Q Well, I am wondering how you did hear about him,
16 then?

17 A Well, I heard about him.

18 Q How?

19 A Not from Conti.

20 Q From whom?

21 A Various people. They're the biggest lawyer firm in
22 Vegas right now.

23 Q Yes, I think they are well-known.

— 24 A Some fighters that I know told me about Chesnoff
and Goodman.

gas

33

1 Q Goodman is primarily a criminal defense lawyer,
2 isn't he?
3 A Oh, really?
4 Q I am asking you.
5 A I don't know that.
6 Q You didn't know that?
7 A I didn't know that.
8 Q You don't know that he represents a lot of mob guys
9 out there?
10 A No, I did not.
11 Q You never heard that before?
12 A No, I did not. I mean, well, if he did, I didn't
13 know that.
14 Q Alleged mob guys; okay?
15 A Oh, okay.
16 Q Did you ever hear that?
17 A No. But I know that they was big criminal lawyers.
18 Also, he's into the boxing game. He knows about boxing. He
19 knew Bob Arum, and Bob Arum often, as a matter fact, recom-
20 mended that he was a highly respected lawyer.
21 Q So you talked to Bob Arum about him, and he told
22 you about him?
23 A Right.
24 Q That's all I asked. I want to know where you got
the recommendation from.

gas

34

1 A Okay.

2 BY MR. LORD:

3 Q What did Ahmed Bey do in connection with the Toney-
4 Tiberi fight for you?

5 A Toney?

6 Q I'm sorry. Regarding the Toney-Barkley fight,
7 February 13th --

8 A Nothing.

9 Q -- what did Ahmed Bey do for you?

10 A Nothing.

11 Q Did he in any way train you?

12 A No.

13 Q Give you any advice about your management?

14 A I wouldn't let him come around me.

15 Q The next line on the deductions, on Exhibit No. 2,
16 it says: reserve w/h -- I suppose that's withhold --
17 incidentals. That's \$50,000. Could you explain that line?

18 A I believe that line is for, like, when Arum puts up
19 the hotel rooms and stuff for when my family or someone else
20 -- friends or something -- that's to protect the hotel so, if
21 anything is, like, stolen, missing, whatever, I guess. I
22 don't know. I never knew what that was, you know.

23 BY MR. RINZEL:

24 Q Arum withholds from your purse \$50,000, and you are
telling me you don't know what it is about? They are some

gas

35

1 kind of incidentals?

2 A I don't know what them incidentals are. Do you
3 know what I'm saying? I never really, like, figured it out.
4 When you said incidentals, I was, like, more or like saying,
5 hey, maybe that's money that they just took out for the
6 hotel. That's the only thing I could gather. I don't know
7 what that is for, to tell you the truth.

8 Q Does it interest you at all?

9 A It interest me.

10 Q Are you at all concerned about the \$50,000 that you
11 didn't get?

12 A Oh, yes, definitely. I am very interested in that
13 now. I am wondering myself, you know, where it came from.

14 Q Did you raise any questions at the time the check
15 was given to you? Was this handed to you along with the
16 check at the time after the fight?

17 A I believe so, but I didn't look at this.

18 Q You didn't have time to --

19 A No, I didn't have this check in my presence because
20 at the time I was laid up with lumps and bumps all over my
21 head.

22 Q You have to sign for the check, don't you?

23 A Yeah, I sign for it. I sign for it, like, after
24 the fight, and then the check was given to, I believe, my
nephew.

gas

36

1 Q Your nephew? Who is your nephew?

2 A My nephew?

3 Q Yes.

4 A Tyrone.

5 Q Barkley?

6 A Lourdes.

7 Q And he was out there at the fight with you?

8 A He's always out there at the fights with me.

9 Q And the commission representative gave the check to
10 him?

11 A With my authority. I told them to give him the
12 check. He didn't just go give it to him.

13 Q Have you raised any questions about this \$50,000
14 with Mr. Arum?

15 A No. But I sure will, though. I don't even know
16 what it is.

17 BY MR. LORD:

18 Q Could the \$50,000 incidentals include tickets?

19 A There's a possibility 'cause I did have, like, a
20 lot of tickets.

21 Q How much are a lot of tickets?

22 A I don't know. I bought a lot of tickets to the
23 fight.

24 Q Do you typically have to pay for the tickets you
buy from the promoter?

gas

37

1 A Yes, I do.

2 Q Approximately how much, in the amount of money, in
3 tickets did you buy with regard to the Toney fight? -- a
4 ball-park figure.

5 A I have so many friends in Vegas. I might have
6 spent about \$100,000.

7 BY MR. RINZEL:

8 Q How many people did you get tickets for?

9 A A lot of people. I don't even know half of the
10 people I was buying tickets for.

11 Q Did you get tickets for 10 people, 100 people, 500
12 people; how many people?

13 A Maybe 5-, 6-, 700 people.

14 Q 5- or 6- or 700 people you paid tickets for?

15 A Paid for tickets. That's me. I gotta a generous
16 heart.

17 BY MR. LORD:

18 Q Did you buy any expensive tickets?

19 A Yeah, \$250 tickets, \$300 tickets. It was going up
20 there, you know what I am saying.

21 Q How about parties; did you hold any parties before
22 or after your fight?

23 A No. I was too sore to have any parties?

24 Q Well, what about before?

A I didn't party before the fight. I don't party

gas

38

1 before fights.

2 Q Did you hold any type of a dinner or any type of
3 event for your family after the fight -- any type of event?

4 A I might've. My nephew might've took them out or
5 something. I don't know.

6 Q Would that have been charged as an incidental?

7 MR. RINZEL: Off the record.

8 [Discussion off the record.]

9 [Mr. Rinzel left the hearing room.]

10 MR. LORD: Back on the record.

11 BY MR. LORD:

12 Q Regarding the incidentals, again, if you were to
13 throw a party or to have any type of a dinner for your
14 relatives, would that have been charged to you by your
15 promotor?

16 A Yes, it would've.

17 Q In the past when you fought for Top Rank and Bob
18 Arum, has he held back money from your purse as incidentals?

19 A Yes. As far as I know, yes.

20 Q Do you ever have money left over from what is held
21 back as incidentals?

22 A Yes.

23 Q Yes, you do?

24 A Yeah. It all depends, if you give the party or
whatever.

gas

39

1 Q What do you do with any money that might be left
2 over from what he has held back? Does he send you a check?
3 Do you go collect the money?

4 A He sends me a check. If there was anything held
5 back or anything like that, he sends a check.

6 Q The next line of deductions is marked IBF sanction
7 fee, \$25,000. Can you tell us what that is?

8 A I believe that's for them to put on the fight.
9 That's their sanctioning fee.

10 Q And IBF is the International Boxing Federation?

11 A Yes.

12 Q And you held the super middleweight title of that
13 sanctioning body?

14 A Yes.

15 Q And you had to pay that sanctioning body \$25,000 in
16 connection with the fight?

17 A Yes.

18 Q The last line on the deductions is labeled anti-
19 doping, and it is for \$25,000. Can you explain for us what
20 anti-doping is?

21 A That's your urine test and your drug test and all
22 of that.

23 Q And that costs \$25,000?

24 A Yes, it costs you \$25,000.

Q Who is that check made out to? Who is that payment

gas

40

1 made to?

2 A I believe to the anti-doping people.

3 Q Would that be the State of Nevada?

4 A Nevada.

5 Q Were you given a drug test prior to this fight?

6 A Yes, I was.

7 Q After the fight?

8 A Yep.

9 Q Did you pass these tests?

10 A Yep.

11 Q Did you receive any training expenses, any training
12 fees in connection with the Toney fight on February 13?

13 A Yeah. Arum gave me \$50,000 for training expenses
14 but, as you could see --

15 Q Let me ask you this first: Is the \$50,000 part of
16 the \$1 million purse, or is it in addition to the \$1 million
17 purse?

18 A It's in addition to the \$1 million purse, I
19 believe.

20 MR. TUOHEY: That's my understanding.

21 BY MR. LORD:

22 Q So we don't have a receipt for the \$50,000 training
23 expense at this time?

24 A No, we don't.

25 Q Just the purse?

gas

41

1 A Just the purse.

2 Q Top Rank paid you \$50,000 in training expenses?

3 A Yes.

4 Q Did you, in fact, receive \$50,000 in training
5 expenses?

6 A Yes, I did. But, after I received my trainer --

7 Q Who is your trainer?

8 A Eddie Mustafa Muhammed. He has not received his
9 pay from the last prior fight, before this fight. So I had
10 to take out of the expense money his pay, and pay him for
11 that fight, from the last fight, which left me, like,
12 \$10,000.

13 Q Let me get this straight. You had to pay Eddie
14 Mustafa Muhammed money, and you paid him that money out of
15 your training expenses; is that correct?

16 A Correct.

17 Q And that was \$40,000?

18 A Right.

19 MR. TUOHEY: Could I interrupt on that, Leighton?

20 MR. LORD: Sure.

21 MR. TUOHEY: Maybe I can clarify the record on
22 that.

23 MR. LORD: Sure.

24 MR. TUOHEY: It is my understanding that \$15,000 of
the \$40,000 was used to pay Mustafa for a previous fight.

gas

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1 \$25,000 of the \$40,000 that went to Mustafa out of the
2 \$50,000 training advance was an advance to Mustafa, so that,
3 when all was said and done at the end, after the fight, Mr.
4 Barkley paid Mustafa \$75,000 against a \$100,000 agreement --
5 10 percent -- \$75,000 -- because \$25,000 had been given as a
6 prefight advance.

7 Is the record clear?

8 MR. LORD: Yes, it is.

9 MR. TUOHEY: You can ask anything you want,
10 Leighton, but I just wanted to set the framework on that.

11 BY MR. LORD:

12 Q Mr. Barkley, since your attorney is not under oath,
13 do you agree with the statements that he has made?

14 A Yes.

15 Q We spoke to Mr. Arum at some point in connection
16 with the fight. Mr. Arum told us that Mr. Eddie Mustafa
17 Muhammed needed money for a downpayment on a house. Are you
18 aware of this?

19 A Yes.

20 Q And that some of the money that was going to go to
21 you as training expenses, in fact, went to Eddie Mustafa
22 Muhammed to make that downpayment on his house; is that
23 correct?

24 A Yes.

Q Mr. Arum said that, in total, Eddie Mustafa

gas

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1 Muhammed received \$40,000 out of your training expenses; is
2 that correct?

3 A Yes.

4 Q And that you then received \$10,000?

5 A Yes.

6 Q Did Mr. Arum write you a check for \$10,000?

7 A Yes, he did.

8 Q What did you do with that check?

9 A I stuck it in the bank.

10 Q What bank did you stick that in?

11 A Bank of America, I believe. Bank of America --
12 that's the name of it.

13 Q Do you have an account at Bank of America?

14 A I had an account there. Just for that time, I used
15 that bank for my training expenses, to move checks and stuff
16 through there, to pay my sparring partners and stuff like
17 that.

18 Q Let us go back now, just to clarify the record.
19 Top Rank, in connection with the Toney fight on February
20 13th, wrote you two checks; is that correct?

21 A What two checks they wrote me?

22 Q Let me go through that. They wrote you one check
23 for \$824,985, and then they wrote you a second check for
24 \$10,000 in training expenses; is that correct?

25 A Yeah, that's correct. Yeah.

gas

44

1 Q So Top Rank wrote you two checks in connection with
2 that fight?

3 A Right.

4 Q Let me ask you a few questions about some of the
5 payouts that you then made prior to the fight. How much
6 money did Lenny Minuto, who you told us at your last deposi-
7 tion was your adviser. How much money did Lenny Minuto
8 receive in connection with the Toney fight on February 13,
9 1993?

10 A He had received \$395,000.

11 MR. TUOHEY: I believe it is \$295,000.

12 THE WITNESS: \$295,000; yeah.

13 BY MR. LORD:

14 Q Mr. Lenny Minuto received \$295,000; is that
15 correct?

16 A Yeah, \$295,000.

17 Q How did you pay him this money?

18 A Two separate checks.

19 Q Two separate checks?

20 A Yeah. One was paid, \$100,000, and one \$195,000
21 check.

22 Q Were these checks from your personal account?

23 A Those was in my personal account; yes.

24 Q The checks that wrote to Lenny Minuto, were they
25 personal checks from your account?

gas

45

1 A Yeah, they were from my account.

2 MR. TUOHEY: The question is were they personal
3 checks or were they other forms of checks?

4 THE WITNESS: They wasn't personal checks.

5 BY MR. LORD:

6 Q Were they Cashier's Checks?

7 A Cashiers Checks.

8 Q Why did you pay Mr. Minuto in Cashier's Checks as
9 opposed to personal checks?

10 A Because that's the way I paid him.

11 Q Did he request that you pay him with Cashier's
12 Checks?

13 A No, he did not request that I pay him Cashier's
14 Checks.

15 Q Isn't it more difficult to get a Cashier's Check
16 than to just write a check from your checkbook?

17 A Well, I just as soon pay him like that.

18 Q Why?

19 A I don't know. I just did it. I just, you know,
20 thought it was the right thing to do, and I just did it.

21 Q But it is more difficult to get a Cashier's Check
22 than just write a check on your bank account; is that
23 correct?

24 A Meaning?

25 Q You have a checkbook, is that correct, on your bank

gas

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1 account?

2 A Yeah.

3 Q You could just write a check out and hand it to Mr.
4 Minuto, or you have to go to the bank and have the bank fill
5 out a cashier's check. So it is more difficult to do it that
6 way than to just write a check from your account -- that is
7 what I am asking -- is that correct?

8 A Oh, yeah, it's more difficult that way.

9 Q I am just asking why you go to that extra hassle
10 and expense for yourself?

11 A It was no hassle.

12 MR. TUOHEY: Excuse me for a second.

13 [Witness and his counsel conferred.]

14 BY MR. LORD:

15 Q Did you pay Eddie Mustafa Muhammed with a Cashier's
16 check?

17 MR. TUOHEY: Excuse me for a second.

18 [Witness and his counsel conferred.]

19 THE WITNESS: Yeah, I paid Mustafa with a personal
20 check. I wrote a check and wired it to him. That's the way
21 he wanted it.

22 BY MR. LORD:

23 Q When you pay your bills and pay the telephone
24 company and things like that, do you typically do that with a
25 personal check?

gas

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1 A Yeah. I don't handle the checks and pay my bills.
2 My fiancée does that.

3 Q But she does that with personal checks --

4 A Yeah.

5 Q -- from your checking account?

6 A The checking account, yes.

7 Q Do you pay anyone other than Mr. Minuto with
8 cashier's checks?

9 A No. I mean, if someone asks me to pay them with a
10 cashier's check, I have paid, you know, car dealers with a
11 cashier's check and stuff like that, and I didn't think there
12 was anything wrong with it.

13 Q I am not trying to say there is anything wrong with
14 it. I am just trying to understand why you would go to that
15 extra trouble to pay your advisor with a cashier's check
16 rather than a personal check?

17 A To me, I didn't think it was no trouble. I just
18 paid him like that.

19 Q Did Mr. Minuto want you to pay him that way?

20 A No, he did not.

21 Q You said that you gave Mr. Minuto two checks. The
22 first one was for \$100,000. Were these two checks for
23 different purposes? Were you paying him for different
24 reasons? Why did you pay him in two checks?

25 A Because there was different reasons.

gas

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1 Q That's what I want to ask about.

2 A Yeah, there was different reasons.

3 Q And so you paid Mr. Minuto two checks because each
4 check represented a --

5 A A different reason.

6 Q -- a different reason. Right.

7 The first check for \$100,000, what was that payment
8 for?

9 A That was the payment for the fight, I guess. You
10 know, that was the payment for the fight.

11 Q For the Toney fight?

12 A For the Toney fight.

13 Q What was your agreement with Mr. Minuto? How much
14 were you going to pay him? Were you going to pay him a
15 percentage, or were you going to pay him a set amount?

16 A I was paying him a percentage.

17 Q What percentage?

18 A Well, it was supposed to have been 10 percent.

19 Q 10 percent of \$1 million?

20 A Right.

21 Q Which would be \$100,000?

22 A Right.

23 Q So the \$100,000 represents your payment to Mr.

— 24 Minuto as your advisor in connection with the fight?

A Right.

gas

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1 Q What was the \$195,000 payment for?

2 A Well, that was for payments that I had owed him
3 for, you know, bills that he did for me: my surgery, he took
4 care of me, he fed me, clothed me, and gave me, you know,
5 money to live, apartment out in Vegas.

6 Q So the \$195,000 represents money you owed to Mr.
7 Minuto; is that correct?

8 A Yeah. I wouldn't say owed. I mean, that I
9 borrowed -- I guess that I, you know owed-- if you want to
10 say it like that.

11 Q But, if there is a better way to say it, I --

12 A I don't know a better way to say it. But I'm
13 saying I don't want it to look, like, shaky.

14 Q Well, it's not shaky. I owe Mr. Levin \$5 right
15 now, and it is not shaky.

16 A All right. Owed. Then that's what I am saying,
17 owed.

18 Q You said one of the things you owed him money for
19 was your eye operation?

20 A My eye surgery.

21 Q At the last deposition, you said that was ap-
22 proximately \$6,000; is that correct?

23 A Possibly, six-, maybe, more. I don't know. We
24 didn't have no receipts.

5 Q In the range of \$6,000; is that accurate?

gas

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1 A The eye operation could have been anywhere from
2 ten-, maybe six-/seven thousand. I don't know.

3 Q In the range of \$10,000?

4 A Right, from the visits and everything and stuff
5 like that.

6 Q And you say he also helped pay expenses like food
7 and apartment rent?

8 A Right, apartment rent and stuff like that.

9 Q What other expenses did he pay for you?

10 A He just gave me expense money, you know, to live.

11 Q What type of expense of money? How much are we
12 talking about?

13 A Sometimes he gave me, like, \$5,000 to clean up all
14 my bills and stuff; \$300 here, \$700 here, maybe \$1,000 here
15 sometimes. I don't know.

16 Q What was the largest amount of money that Mr.
17 Minuto ever loaned you?

18 A The largest amount?

19 Q Yes.

20 A \$5,000.

21 Q Did Mr. Minuto keep records of the money that he
22 loaned you and advanced you?

23 A I believe that he didn't keep records like that.

24 You know, he probably did. He might've kept records because

I felt that I didn't have to keep no records with him.

gas

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1 Whatever he said that I owed him and when he pulled out the
2 records to show me and went over it and everything, it
3 refreshed my memory.

4 Q So he did have records of the money?

5 A Yeah, he did. He remembered the records. I didn't
6 have no records.

7 Q There wasn't any reason for you to keep them
8 because you owed him.

9 A I didn't have no records.

10 Q Did you agree with him that you did owe him
11 \$195,000? Did you agree? Did that make sense when you saw
12 his records that you did, in fact, owe him that amount of
13 money?

14 A Yes.

15 Q Did Mr. Minuto charge you any interest for the
16 loans he had given you over this period of time?

17 A No, he did not.

18 Q So there were no interest payments included in the
19 money you paid him?

20 A No interest payments, no nothing. It was just like
21 it was.

22 Q Did any friends, relatives, associates of Mr.
23 Minuto ever loan you money?

24 A No.

5 Q Did Mr. Minuto ever arrange for other people to

gas

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1 loan you money?

2 A No.

3 Q Did Mr. Minuto receive any other money in connec-
4 tion with your fight, directly from the promoter Bob Arum?

5 A No.

6 MR. TUOHEY: Not that you know of.

7 THE WITNESS: Not that I know of. No, not that I
8 know of.

9 BY MR. LORD:

10 Q Mr. Arum told us that Mr. Minuto was going to
11 receive \$150,000 directly from him in connection with the
12 Toney fight. Are you aware of this payment?

13 A Not that I know of.

14 Q Mr. Arum said that the payment was going to be
15 termed a co-promotional payment. Do you know what that
16 means? Do you know what it means to be a co-promotional
17 payment?

18 A No.

19 Q Mr. Arum also told staff that, in the course of the
20 negotiations for the Barley-Toney fight, you were a part of
21 those negotiations and that you were aware of the fact that
22 Mr. Minuto was going to get a co-promotional payment directly
23 from Top Rank.

24 A Bob Arum is a liar because I was not aware of that
25 he was going to get money from -- that Mr. Minuto was going

gds

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1 to receive money -- where?

2 Q From Top Rank. It was going to be a payment made
3 by Top Rank. Not out of your purse, but out of the promoter's
4 share of the profits?

5 A I never heard of that. I never heard of that.

6 Q So, in the course of the negotiations with Top Rank
7 and Bob Arum -- and I assume Mr. Minuto was present; is that
8 correct?

9 A [No response.]

10 Q When you were negotiating with Mr. Arum about the
11 fight, I assume Mr. Minuto was present; is that correct?

12 A Oh, yeah, he was present.

13 Q Did the topic of Mr. Minuto receiving a payment
14 from Mr. Arum ever come up?

15 A No.

16 Q Did Mr. Minuto ever discuss with you his receiving
17 a payment directly from Bob Arum?

18 A No.

19 Q So, to your knowledge, the money that you paid Mr.
20 Minuto is the only money Mr. Minuto received in connection
21 with your fight?

22 A That is it.

23 BY MR. LEVIN:

24 Q Mr. Barkley, were you involved with the negotia-
25 tions for the Barkley-Toney fight with Bob Arum?

gas

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1 A Was I involved?

2 Q Yes.

3 A Yeah, with Bob Arum. Yeah, I was there. I was
4 there.

5 Q Who else was there?

6 A It was me, Mustafa, and Minuto.

7 BY MR. LORD:

8 Q Mr. Arum also told us that the fight would not
9 happen unless he paid Minuto this extra amount of money. Is
10 that true?

11 A That's baloney. That is garbage. You know, that
12 is garbage. And Mr. Arum knows it is garbage because of the
13 simple fact the fight was already signed, sealed, and
14 delivered.

15 Q This is prior to the fight. This is when the
16 negotiations were taking place. He said that he had to agree
17 to pay Mr. Minuto a sum of money out of his share, or you
18 wouldn't fight. The fight wouldn't happen.

19 A I had no knowledge of that, you know, and I never
20 heard of that. And that's a lie.

21 BY MR. LEVIN:

22 Q To your knowledge, were you present at all meetings
23 which occurred between Top Rank and your representatives
24 regarding the Barkley-Toney fight?

A Yes, I was.

gas

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1 MR. TUOHEY: Let me interrupt here. Be careful
2 about this.

3 BY MR. LEVIN:

4 Q I am asking just what you know.

5 MR. TUOHEY: There could have been meetings that
6 you didn't know about.

7 THE WITNESS: Maybe there was. I am saying to my
8 knowledge, to the best of my knowledge.

9 BY MR. LEVIN:

10 Q There were no meetings --

11 A There was no meetings --

12 Q -- that you did not attend regarding the negotia-
13 tions for the Barkley-Toney?

14 A That's right. Yeah.

15 Q And you don't recall any discussions about any
16 separate payments, apart from the purse, that were going from
17 Top Rank to Lenny Minuto?

18 A No, I don't.

19 BY MR. LORD:

20 Q Mr. Barkley, this is in a previous deposition, but
21 let me just repeat it for this record that we are creating
22 today. You told us the last time that Mr. Minuto is your
23 adviser; is that correct?

24 A Yes.

25 Q Mr. Minuto does not serve as your manager; is that

gas

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1 correct?

2 A Yes.

3 Q Also, in that deposition, on page 42, your answer
4 starting on line 17, you were explaining that -- and I am
5 reading from line 20.

6 MR. TUOHEY: You are talking about Mr. Minuto?

7 MR. LORD: Yes.

8 BY MR. LORD:

9 Q "And I know the game, and Lenny, he's learning, you
10 know, from what we have showed him, and he sits in with us
11 and we talk, you know."

12 Starting on line 20 and 21. You are saying that
13 Mr. Minuto doesn't know a whole lot about the sport of
14 boxing. He's learning the sport of boxing from you and Eddie
15 Mustafa Muhammed. Is that a correct characterization of that
16 testimony?

17 A Just about, yes. That's correct, yes. That's
18 correct.

19 Q So you would agree that Mr. Minuto does not know a
20 lot about the sport of boxing?

21 A No, he don't.

22 Q And that he is learning the sport from you --

23 A Yes.

— 24 Q -- among other people?

25 A Among what other people?

gas

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1 Q He's learning the sport of boxing from you, among
2 other people?

3 A Oh, yeah. It's not hard to learn this game. Like
4 I explained to him, you know, "the more you be around me and
5 the more that you go to fights, you'll learn the game."

6 Q So Mr. Minuto is learning?

7 A That's right.

8 Q My question to you, Mr. Barkley, is, if Mr. Minuto
9 doesn't know the sport of boxing very well. He is learning.
10 You are teaching him. Why do you pay him \$100,000 in
11 connection to one of your fights?

12 A Well, see, you say, you know, why do I pay him
13 this. You know, if it was not for this man, I would not be
14 back in boxing.

15 Q Explain that for us, please.

16 A I mean, with my eye surgery and everything, you
17 know, this man came along and allowed me to box again,
18 allowed me to fight, you know, and it don't take a knowledge-
19 able man to know that. You know, it took a friend like him
20 to come and say, "Hey, you want to fight again?"

21 I said, "No, I don't really want to fight. You
22 know, I don't want to fight."

23 But he said, "Iran, I don't want to see you waste
24 your talent."

gas

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1 anything wrong with it. At the time, I didn't have it to do
2 it. You know, I didn't have it to do it.

3 Q At this time, did Mr. Minuto lend you money?

4 A At this time?

5 Q At that time, when you were contemplating retire-
6 ment from boxing and Mr. Minuto came to you and told you he
7 didn't want you to waste your talent, was that the point when
8 he was lending you money, helping you get on your feet?

9 A He was, like, helping me get on my feet. I didn't
10 see anything was wrong with it.

11 Q I am not saying there is anything wrong with it. I
12 am just trying to understand.

13 A Oh, okay. But I am saying, yeah. You know, at
14 that time, he came along, and we was already friends. And,
15 you know, he just didn't want to see me go the wrong way, so
16 he kept me on the right track.

17 Q So Mr. Minuto is more sort of a personal advisor,
18 personal friend to you than a boxing advisor; is that
19 correct?

20 A That's right.

21 Q At your last deposition, and I won't go to the page
22 numbers, but you also told us that Mr. Minuto gave you
23 investment advice from time to time; is that correct?

24 A Yes.

Q In connection with your \$1 million purse from the

gas

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1 Toney fight, has Mr. Minuto given you any investment advice?

2 A No. Basically, the advice that he passed on to me,
3 I basically know now how to do it myself.

4 Q So Mr. Minuto has not given you any advice on how
5 to spend your million-dollar purse?

6 A No. If I need to ask him a question or something,
7 you know, he'll probably advise me or something.

8 Q Mr. Minuto did attend the fight, didn't he?

9 A To the best of my knowledge, he did. I was in the
10 ring.

11 Q Right. But he was in Las Vegas at the time when
12 you were getting ready for the fight.

13 A Yeah.

14 Q So, to the best of your knowledge, he did attend
15 the fight?

16 A Yeah, he did.

17 Q Do you know if Mr. Minuto is involved with any
18 other boxers at this time?

19 A I don't know. At this time, as far as I know, not
20 that I know of.

21 Q In the past, was Mr. Minuto ever involved with a
22 boxer named Dennis Milton?

23 A Dennis was his fighter, yeah.

24 Q Is he still involved with Dennis Milton?

25 A As far as I know, I guess he is.

gas

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1 Q Is Dennis Milton still boxing?

2 A No, he is not. He took a little leave of absence
3 for a minute.

4 Q How about Roberto Duran. Has Mr. Minuto ever been
5 involved with Roberto Duran?

6 A No.

7 Q Does he know Roberto Duran?

8 A He met him.

9 Q Is he friends with Roberto Duran?

10 A What do you call a friend? Everybody is a friend.

11 Q Well, I am not a friend of Roberto Duran's. Does
12 he meet with Roberto socially?

13 A No, he don't.

14 Q Does he have meals with Roberto Duran?

15 A Not that I know.

16 Q Does he ever give advice to Roberto Duran?

17 A Not that I know of.

18 Q Does he ever negotiate on behalf of Roberto Duran?

19 A Not that I know of.

20 Q But you do know that he knows Roberto Duran?

21 A I know he met him one time.

22 Q How about a Cuban heavyweight named Gonzales --
23 Jorge Gonzales; is Mr. Minuto in any way involved with Jorge
24 Gonzales?

25 A Not that I know of.

gas

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1 Q Are you aware of the boxer?

2 A Yeah, I'm aware of Jorge. Yes.

3 Q And he is managed by someone named Luis Cubas.

4 A Luis Cubas.

5 Q Yes, C-u-b-a-s. Also, from Cuba.

6 A Yes.

7 Q Do you know Luis Cubas?

8 A I met the man, yeah.

9 Q Are you aware that Mr. Minuto is involved with Luis
10 Cubas in any way?

11 A Not that I know of.

12 Q Can you think of any other boxers that Mr. Minuto
13 is involved with at this time?

14 A The only boxer I know he was, like, being with me
15 and, as far as Dennis, I don't know any other fighter.

16 Q Does Mr. Minuto have any relatives who are in the
17 boxing business?

18 A Not that I know of.

19 Q Do you know, I believe, it's a cousin of Mr.
20 Minuto's named Marco Minuto?

21 A Marco Minuto?

22 Q Marco Minuto. Have you ever met a Marco Minuto,
23 who is related to Lenny Minuto?

24 A No, I haven't.

Q Marco Minuto, until about a year ago, was a manager

gas

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1 -- a boxing manager -- licensed to manage boxers in New York
2 state. Have you ever heard of Marco Minuto?

3 A No.

4 Q Lenny Minuto has never discussed his relative Marco
5 with you?

6 A No.

7 Q A few questions about Stan Hoffman. Did you have
8 any contact with Stan Hoffman in connection with the Toney
9 fight?

10 A No.

11 Q Did Stan Hoffman perform any services for you in
12 connection with the Toney fight?

13 A No. I don't know why he would because he didn't
14 work for me.

15 Q Bob Arum, again, told staff that Hoffman was to
16 paid a total of \$50,000 in connection with your fight with
17 James Toney. \$25,000 was to come out of the Minuto share,
18 and \$25,000 was going to be paid by him. Are you aware that
19 Bob Arum and Top Rank were going to pay Stan Hoffman in
20 connection with your Toney fight?

21 A No, I wasn't.

22 Q Did Stan Hoffman ever call you, ever talk to you on
23 a phone -- any type of contact -- in connection with the
24 Toney fight?

25 A I talked to Stan one time.

gas

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- 1 Q Do you remember what you talked about?
- 2 A "How 'ya doing? How 'ya feel? How's the training
3 going?"
- 4 "Fine."
- 5 You know, the usual stuff.
- 6 Q Did Stan Hoffman give you any advice about how you
7 should be training, how you should be eating -- things like
8 that?
- 9 A No.
- 10 Q Do you remember approximately when that conversa-
11 tion took place?
- 12 A Well, at the time, Stan had a fighter that was
13 living in my house with me.
- 14 Q Who was that?
- 15 A Ricky Myers. And he used to call there for him a
16 lot. I asked Stan then, "What's up? How's things going?"
- 17 "Oh, fine. How's training going?"
- 18 "Great."
- 19 "How's Ricky doing?"
- 20 "He's fine."
- 21 Q Did Stan ever come by while you were training, to
22 see you while you were training, watch you train, for the
23 Toney fight?
- 24 A For the Toney fight?
- 25 Q Yes.

gas

64

1 A No. I ain't see him nowhere around.

2 Q Did he ever visit you in your hotel when you were
3 staying in Las Vegas, come by and see you?

4 A I didn't stay in the hotel.

5 Q In your apartment, in Las Vegas?

6 A No.

7 Q He never came by and visited you?

8 A No.

9 Q We had heard that, at one point prior to the Toney
10 fight, you were having weight problems; is that correct?

11 A Last memories. Yeah.

12 Q At one point, you were somewhere in the range of
13 189 pounds; is that correct?

14 A I wouldn't say that much. I would say about
15 175/176.

16 Q Is it correct that you had to be at 168 pounds to
17 fight at super middleweight; is that correct?

18 A That's correct.

19 Q Did Stan Hoffman in any counsel or help you with
20 your diet?

21 A No, he did not.

22 Q Were you on any special diet program to try to lose
23 weight while you were preparing for the fight?

24 A My diet.

25 Q What is that?

gas

65

1 A Good ole abilene and good ole sweating and hard
2 work.

3 Q Did anyone give you any advice or did you at any
4 time start eating large amounts of sherbet in connection with
5 your trying to lose weight?

6 A I ate that sherbet at the last day of the fight --
7 not the last day of the fight -- a day before the weigh-in
8 that night. I weighed at 168 pounds but, in the course of me
9 leaving to go weigh in, I had gotten hungry. So I took the
10 sherbet ice cream and I ate it, and it put the weight back on.

11 Q So no one gave you the advice of eating sherbet to
12 lose weight at the time you were training?

13 A No.

14 Q And you were not on the sherbet diet for the *
15 prior to the fight?

16 A No.

17 Q In your last deposition, you stated -- and this is
18 on page 41, at the bottom. At some point, we were talking
19 about Stan Hoffman and what role he played.

20 MR. TUOHEY: You are not on page 41.

21 MR. LORD: No, we are not.

22 BY MR. LORD:

23 Q In that deposition, you stated that Stan Hoffman
24 played no role in your career at that time. This is December
25 16th. Is that correct?

gas

66

1 A No role?

2 Q Staff Hoffman played no role in your career.

3 A No.

4 Q Since that deposition, December 16, has Stan
5 Hoffman played any role in your career?

6 A No.

7 Q Is there any reason that Stan Hoffman would have
8 received payments in connection with you as a fighter?

9 A I don't know what reason would somebody pay Stan
10 Hoffman that type of money in connection with my fight when
11 the man has nothing to do with me.

12 Q Could Lenny Minuto, to the best of your knowledge,
13 have arranged for Stan Hoffman, to receive payment in
14 connection with your fight?

15 A No. No.

16 Q Why do you say that?

17 A Because I know he wouldn't have arranged nothing
18 like that, and I know all ties was broken with me and him and
19 Stan. I know that for a fact. No, he wouldn't. No.

20 Q Have you ever heard anyone refer to Mr. Minuto as a
21 mob guy, as a La Cosa Nostra member, as a mafia member?

22 A No, I haven't.

23 Q Have you ever heard of anybody refer to him as sort
24 of a tough guy, a guy that you better pay or there is going
25 to be trouble?

gas

67

1 A No. I mean Mr. Minuto is not like that.

2 Q Eddie Mustafa Muhammed how much money did he
3 receive in connection with the Toney fight?

4 A What was down there. He was supposed to get 10
5 percent of the fight.

6 Q So his total would have been \$100,000; is that
7 correct?

8 A Yes.

9 Q Did you write Mr. Mustafa Muhammed a check after
10 the fight?

11 A Yes, I did.

12 Q How much was that check for?

13 A I believe it was for 75-.

14 Q 75-?

15 MR. TUOHEY: He testified \$75,000.

16 BY MR. LORD:

17 Q \$75,000.

18 A Yes.

19 Q Is it, also, correct that you had paid Mr. Mustafa
20 Muhammed the additional \$25,000 you owed him out of the
21 training expenses?

22 A Training expenses.

23 Q What did Mr. Mustafa Muhammed do for you in
24 connection with the Toney fight?

25 A He trained me for the fight.

gas

68

1 Q Was he training you on a daily basis?

2 A Every day.

3 Q He was with you every day?

4 A Every day.

5 Q Did he help you make weight?

6 A I practically would say he might have took most of
7 the weight out of me that I didn't have to drain them four
8 pounds off.

9 Q How about John Joseph Conti did he receive any
10 payments in connection with the Toney fight?

11 A No, he did not.

12 Q Did you owe him any money?

13 A No, I did not.

14 Q I just want to ask a few more questions regarding
15 Mr. Minuto before we finish up. Have you ever gambled with
16 Mr. Minuto?

17 A No, I haven't.

18 Q Have you ever played the tables in Las Vegas with
19 Mr. Minuto?

20 A No.

21 Q Atlantic City?

22 A I'm not a gambler.

23 Q Have you ever placed any kind of bet through Mr.

— 24 Minuto?

A No, I have not placed any bets through Mr. Minuto.

gas

69

1 Q Are you aware that Mr. Minuto has been arrested and
2 convicted, I believe, it is some seven times for gambling-
3 related offenses?

4 A I have never known that.

5 Q You have no knowledge that Mr. Minuto has been
6 arrested?

7 A No knowledge whatsoever of that.

8 Q Have you ever known or has anyone ever told you
9 that Mr. Minuto is a book maker or a bookie? Have you ever
10 heard that?

11 A No, I never heard that.

12 Q Do you know what a bookie or a book maker is?

13 A No.

14 Q You have no knowledge what a book maker or a bookie
15 is?

16 A No, what is it?

17 Q Someone who takes bets, takes illegal bets, takes
18 bets on horses, on numbers, on different things like that,
19 football games.

20 A No.

21 Q So you have no knowledge that Mr. Minuto is in any
22 way connected with book making?

23 A No knowledge whatsoever.

24 Q Had you ever heard that Mr. Minuto was convicted of
25 bribing a public official?

gas

70

1 A No.

2 Q Has Minuto ever given you the option to place a bet
3 with him or any of his associates?

4 A Never. I have never known nothing like that.

5 Q Are you aware that the April 1, 1993 hearing before
6 the Permanent Subcommittee on Investigations, there was
7 testimony to the effect that Mr. Minuto is an associate of
8 the Luchese organized crime family? Are you aware of that?

9 A No.

10 Q Has anyone told you that there was testimony to the
11 effect that Mr. Minuto was associated with the Luchese
12 organized crime family?

13 A No one told me.

14 Q Have you ever heard it or read it anywhere?

15 A No, I never read it, never heard it, never seen it.

16 Q There was also testimony to the effect that Mr.
17 Conti is a member of the Luchese organized crime family. Are
18 you aware of that?

19 A No.

20 Q Have you ever read anywhere or heard that Mr. Conti
21 is a member of the Luchese organized crime family?

22 A No.

23 Q Let me just ask you a few finish-up questions, and
24 then I will let Mr. Levin ask you if he has any.

25 What is the future, as far as your boxing career is

gas

71

1 concerned?

2 A What is my future?

3 Q Yes.

4 A I intend to, like I had a deviated septum nose
5 operation done from the last fight, and I intend to continue
6 on boxing. I am going to move up to cruiser weight and that
7 is that.

8 Q So you are going to continue with your career as a
9 professional boxer?

10 A Yes.

11 Q Is Mr. Minuto going to continue to serve as your
12 advisor?

13 A NO.

14 Q Why is that?

15 A Because, man, I can advise myself.

16 Q Is Mr. Minuto going to continue to receive any
17 payment from you in connection with your boxing purses?

18 A No.

19 Q Is Mr. Eddie Mustafa Muhammed going to continue to
20 receive any payment from you?

21 A Yes.

22 Q In what capacity?

23 A As my trainer still.

— 24 MR. LORD: I don't have any further questions.

BY MR. LEVIN:

gas

72

1 Q Let me just ask you a couple questions, Mr. Barkley,
2 about the second payment that you made to Mr. Minuto, which
3 was \$195,000.

4 A Yes.

5 Q You said that was for money that you owed him for
6 various loans, which you characterized as your surgery, your
7 rent, food. Do you remember the time frame during which Mr.
8 Minuto loaned you that money? Are we talking about several
9 years or are we talking about a couple of months?

10 A You are talking about several years during the time
11 that I was coming back to fight from my operation. We are
12 talking about years.

13 Q When did you have the eye surgery? Roughly what
14 year, do you remember?

15 A The first one?

16 Q The one that Mr. Minuto loaned you the money for.

17 A I think two Christmases or four Christmases or
18 something like that.

19 Q Of 1991 or something like that?

20 A Maybe like --

21 Q You said the first one was there more than one?

22 A Yes. I had two operations.

23 Q Did Mr. Minuto loan you money for both of those
24 operations?

25 A No, he didn't.

gas

73

1 Q Which one did he loan you money for?

2 A The second one.

3 Q And that is the one you said was roughly two
4 Christmases ago?

5 A Yeah, probably two Christmases or whatever.
6 Christmas -- I tend to forget.

7 Q So the \$195,000 was money that has accumulated over
8 a couple of years that he has loaned you for various purposes.

9 A You know, various purposes like I take care of two
10 families. I take care of like my family and my mother and
11 like where she live she got bills and stuff. She don't work
12 or nothing, and she has got bills and stuff, and things was
13 all backed up. I just borrowed maybe like \$5,000 here,
14 \$2,000 here, \$1,000 here. He just kept a record, and I just
15 paid off her bills, paid off mine and that is that.

16 Q Now, when he loaned you this money, was it with the
17 understanding that you would pay it back?

18 A Yeah.

19 Q And with the understanding that he would keep track
20 of how much you owed him?

21 A With the understanding that he would keep track of
22 how much I owed him because I am not a good track record, and
23 I said, "You know, hey, whatever I owe you, I pay you back."

— 24 Q When you paid him the \$195,000, did that clean the
25 slate?

gas

74

1 A Yes, it did. It should have.

2 Q So, as of now, you don't owe Mr. Minuto any money.

3 A Nothing.

4 Q And he, I understand from your response to Mr.

5 Lord's question, that he is not going to play any role in

6 your career from now on; is that correct?

7 A No.

8 Q That is correct or that is not?

9 A That is correct.

10 Q That is correct.

11 A That is correct that he is not playing any role in
12 my career any ways. I mean we are friends and that is what
13 it is going to be.

14 Q So you don't plan on making any future payments to
15 Mr. Minuto.

16 A No.

17 Q What about Mr. Hoffman's role in your future boxing
18 career?

19 A No.

20 Q Have you discussed with Mr. Hoffman your future
21 plans for boxing?

22 A No.

23 Q Did Mr. Hoffman speak with you at all the week
24 before the Toney fight when you were in training?

25 A No, because I don't talk to nobody then.

gas

75

1 Q You said you had one phone call when he called your
2 house --

3 A My house for Ricky Myers, yeah.

4 Q Do you remember --

5 A I don't know if that was like the week before the
6 fight.

7 Q Was it pretty close to the fight -- somewhere
8 around that time?

9 A It was pretty close. It was somewhere around there.

10 Q And that was the only contact that you had with Mr.
11 Hoffman prior to the Toney fight.

12 A Yes.

13 Q Did Mr. Hoffman indicate to you at that time that
14 Bob Arum had asked him to get in touch with you regarding
15 your training for the Toney fight?

16 A No.

17 Q He was just calling to ask for Ricky Myers.

18 A Ricky Myers.

19 Q So Mr. Hoffman never called you directly in the
20 couple weeks or so prior to the Toney fight.

21 A No.

22 Q After the Toney fight, have you had any discussions
23 with Mr. Hoffman?

— 24 A No.

25 Q In the negotiations that went on between your

gas

76

1 people and Top Rank for the Toney fight, do you recall any
2 discussions regarding payments to be made to Stan Hoffman?

3 A No.

4 Q Whether by Top Rank, whether by you, whether by Mr.
5 Minuto?

6 A No.

7 Q Did Mr. Hoffman's name come up at all in the
8 negotiations?

9 A No.

10 Q And he was not present at all during any of the
11 negotiations.

12 A Not present, not around, not heard of.

13 MR. LEVIN: Okay.

14 BY MR. LORD:

15 Q One quick thing. Did anyone discuss with you,
16 besides your attorneys, your appearing for this deposition
17 today?

18 A No.

19 Q Did you talk to Mr. Minuto about your appearing
20 here today?

21 A No.

22 Q Mr. Arum?

23 A No, nobody knows.

24 Q I assume your fiance might know.

25 A She is the only one that knows because she knew I

gas

77

1 had to go because he called.

2 Q So no one else discussed this appearance with you.

3 A No.

4 Q I would like to finish by saying you will give us
5 any additional financial records that you find in connection
6 with the Toney fight?

7 A Yes, I will, anything that I find.

8 Q So we can put it on the record and complete
9 everything.

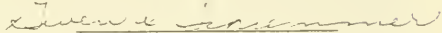
10 MR. TUOHEY: Yes.

11 MR. LORD: Thank you very much.

12 [Whereupon, at 1:10 p.m, the proceedings were
13 adjourned.]

CERTIFICATE OF NOTARY PUBLIC

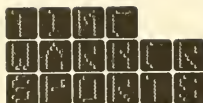
I, GWEN A. SCHLEMMER, the officer before whom the foregoing deposition was taken, do hereby testify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me stenographically and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by and of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto nor financially or otherwise interested in the outcome of the action.



GWEN A. SCHLEMMER

Notary Public in and for
the District of Columbia

My commission expires: February 28, 1995



Louis J. DiBella
Vice President, General Counsel and Chief Administrative Officer

Senate Permanent Subcommittee
on Investigations

EXHIBIT # 20

March 26, 1993

BY MESSENGER

Stephen H. Levin
Counsel
Permanent Subcommittee on Investigations
193 Senate Russell Office Building
Washington, D.C. 20510-6262

Dear Mr. Levin:

After reviewing the Staff Statement presented to the Subcommittee on March 10, 1993, we would like to make certain clarifications with regard to parts of the statement which relate to the business of Time Warner Sports (HBO and TVKO). We would greatly appreciate your making this letter a part of the record.

On page 31 of the statement it states "Most television networks contract with boxing promoters to put fights together....Time Warner Sports (HBO and TVKO) does things differently." The facts do not bear out this assertion. The overwhelming majority of HBO and TVKO contracts are entered into solely with boxing promoters. Contrary with the assertion on page 31 that Time Warner Sports negotiates with boxers, this has never been the case (except when we contract with boxers to function as announcers or make personal appearances at trade functions on behalf of HBO or TVKO). George Foreman, Marvin Hagler, and Sugar Ray Leonard co-signed contracts which HBO negotiated with their promotional representatives and not with the fighters themselves. Their signatures, evidencing acceptance and agreement with the terms of their television contracts with HBO, were necessitated by the nature of their relationships with their promoters. Foreman and Hagler were working with their promoter, Top Rank, Inc., on a fight-by-fight basis; their promoter was not able to bind them on a multi-fight basis without their explicit agreement. Similarly, Ray Leonard chose to have a lawyer/advisor handle his television negotiations, not a promoter. Thus, in these limited circumstances, it was necessary for the boxers to sign the contracts. The Staff Statement states "Other television networks

explained that they generally contract with the promoter, who then deals with the boxers."; this statement is unequivocally true with respect to both HBO and TVKO.

The statement also suggests that HBO and TVKO behave differently than other programmers in taking an active roll in suggesting attractive matchups. It is our belief that all programmers involved in telecasting boxing attempt to arrange for matches which they view as having the greatest fan appeal. "Matchmakers" go beyond normal programming functions and arrange for bout agreements with particular fighters and managers. We, like other telecasters of boxing, rely on promoters to handle such arrangements and have never functioned as "matchmakers".

The report further asserts that Time Warner Sports "enters into multiple fight or so-called option contracts with boxers...." Again, our multi-fight agreements are negotiated with, and entered into with, promoters. The term "option contracts" has a specific meaning in boxing. It refers to contractual relationships in which promoters and/or managers, as partial consideration for entering into a co-promotion or agreeing to a particular bout, acquire a continuing controlling or financial interest in future bouts engaged in by the opposing fighter should he defeat their fighter. HBO and TVKO have never been parties to such "option contracts". For example, in the event that Heavyweight Champion Riddick Bowe were to be defeated in an HBO or TVKO bout under his promoter's present multifight deal with HBO and TVKO, we would have no future rights with respect to the fighter who takes his title. We have simply entered into multi-fight agreements with promoters. These agreements are television license agreements and nothing more. While many of our multi-fight agreements have required exclusivity, these agreements have involved consecutive fights over a reasonable period of time (i.e., establishing the type of exclusivity that another programmer might have with a particular sports team or league).

Finally, while HBO and TVKO are clearly major players in the world of televised boxing, we are somewhat perplexed by the statement that "Time Warner Sports, however, arguably comes closer than any other network to acting as a promoter." We do not perform traditional promoter functions, do not contract directly with sites, do not enter into bout agreements with fighters, do not do business with ratings organizations; we are simply programmers. Prior to the establishment of TVKO, we had Nevada and New Jersey counsel investigate this issue since we had not previously been involved in pay-per-view boxing; we received opinions that TVKO would not be functioning as a promoter under Nevada or New Jersey law.

Thank you for your work and the work of the Subcommittee in attempting to improve the sport of boxing. We are glad that we have been able to offer our assistance and pledge our continuing cooperation.

Best wishes.

Very truly yours,

Louis J. DiBella (EC)
Louis J. DiBella

LDB/bc

(D-311)

OFFICIAL BOXING CONTRACT

WBC Welterweight Championship

EXHIBIT # 21A

NEVADA ATHLETIC COMMISSION

ARTICLES OF AGREEMENT

THIS AGREEMENT, Made and entered into in triplicate this 22 day of November, 1991,
 between Madison Square Garden Boxing, Inc. of the
 City of New York, State of NY,
 a boxing promoter duly licensed under the laws of the State of Nevada, hereinafter called the Promoter, and
James "Buddy" McGirt of the
 City of Brentwood, State of NY, a duly licensed boxer
 under the laws of the State of Nevada, License number _____, hereinafter called the Boxer, and
 _____ of the City of _____,
 State of _____, a duly licensed manager, under the laws of the State of Nevada,
 License number _____, hereinafter called the Manager.

WITNESSETH: In consideration of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree to and with each other as follows:

1. That the Boxer will appear and enter into a boxing contest at the site location of Mirage Hotel
Las Vegas, Nevada, on the 29 day
 of November, 1991, or on a date to be hereafter agreed upon, for 12 rounds to a decision with
Simon Brown of the City of Washington D.C.
 State of _____, as his opponent, at a weight of not over 147 pounds,
 said weight to be taken on the certified scales of the Promoter.

2. That the Promoter will pay the Boxer for such contest, and the Boxer agrees to accept in full of all claims and demands for his services and the performance by him of this contract, the sum of Six hundred twenty-five thousand ----- Dollars (\$625,000.00).

3. That the contest shall be with gloves to be furnished by the Promoter at its own expense, as provided by chapter 467 of the Nevada Revised Statutes, authorizing boxing contests, and shall be conducted in all respects in conformity with the laws of the State of Nevada, and the rules and regulations adopted by the Nevada Athletic Commission, which are hereby made a part of this agreement, that the referee of said contest shall be duly licensed to act as such by the State of Nevada, and assigned to act as referee by the Nevada Athletic Commission. If the referee or the Nevada Athletic Commission shall decide that the Boxer and Manager, or either of them, did not enter into the contract in good faith, or the Boxer and Manager, or either of them, had any collusive understanding or agreement regarding the termination of the match other than that the same should be on an honest exhibition of skill on the part of the contestants; or that the Boxer is not honestly competing or did not give an honest exhibition of his skill, or is guilty of an act detrimental to the interest of boxing, it is agreed in any of such events that the Boxer shall not be entitled to the compensation above named, or any part thereof, unless so ordered by the Nevada Athletic Commission.

It is further agreed that the Promoter shall pay said compensation to the said Commission in the event the Commission shall so order upon any of the above-mentioned grounds. The Commission shall thereupon, in its discretion, make such disposition of said purse as it deems to be in the best interest of legitimate sport and may forfeit to the Nevada Athletic Commission all or any part of compensation or order the same or any portion thereof paid to the Boxer. All parties hereto agree to accept and be bound by the decision of the said Commission and such decision shall be final and conclusive of the rights of the parties thereto.

4. That the Boxer shall personally report at the above-named fight location for weighing and medical examination, in accordance with the rules and regulations of the Nevada Athletic Commission, and shall report at the site to the director of bouts two hours before the time set for the contest.

5. The Boxer agrees to appear when and as directed by the Promoter at all reasonable times for publicity purposes.

6. Should the Boxer desire the Manager be paid directly by the Promoter, deducting such amount from the Boxer's share of the purse

- (a) The Manager must be licensed by the Nevada State Athletic Commission;
 (b) A valid service contract between the Boxer and Manager must be on file with the Commission;
 (c) The amount paid to the manager may not exceed one-third of the purse;
 (d) The Boxer must specify and initial any such amount below.

Manager's Share: _____

Boxer's Initials: _____

Any other pertinent facts or contractual clauses not included in the above should be written hereat:

TIME IS OF THE ESSENCE OF THIS AGREEMENT.

IN WITNESS WHEREOF, The parties hereto have hereunto affixed their hands and seals, in triplicate, at _____, Nevada.

PROMOTER Madison Sq. Garden Boxing, Inc. Date 11/22/91

By (Signature) [Signature] Date 11/22/91

BOXER (Signature) [Signature] Date 11/22/91

MANAGER (Signature) [Signature] Date 11/22/91

NOTICE TO MATCHMAKER: Every boxer MUST BE SIGNED on one of these Official Boxing Contracts. White copy of this contract MUST be submitted by weigh in time to the Commission.

Managers handling boxers under so-called "verbal agreements" cannot sign contracts for boxers' appearance as "verbal agreements" are not recognized by the Commission. If a boxer has no written contract with a licensed manager then such boxer must sign his own boxing contracts.

WHITE COPY—Nevada Athletic Commission; YELLOW COPY—Promoter's File; BLUE COPY—Boxer.

Boxer's, wrestler's or manager's signature, when subscribed hereto, will constitute receipt, in full, of payment for contest or exhibition held or given under the terms of contract heretofore filed with the State Athletic Commission of Nevada at The Mirage Casino-Hotel.

Name of Club

Las Vegas, on the 29th day of November, 1991.

BOXER'S OR WRESTLER'S NAME	CONTRACT PERCENTAGE	LIC.	TOTAL PURSE	BOXER'S OR WRESTLER'S SHARE	MANAGER'S SHARE	BOXER'S OR WRESTLER'S SIGNATURE	MANAGER'S SIGNATURE
1 Cesford "Simon" Brown	\$500,000.	0	\$40,000	\$		<i>[Signature]</i>	<i>[Signature]</i>
2 James "Buddy" McGirt	625,000.	0	43,000			<i>[Signature]</i>	
3 Randall Yonker	22,500.	0	22,500			<i>[Signature]</i>	
4 Michael Nunn	100,000.	0	10,000			<i>[Signature]</i>	
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Senate Permanent Subcommittee

on Investigations

One Copy for Commissioner of Divided.
One Copy for Athletic Commission Sec'y-Treas.
One Copy for Club Promoting Event.

EXHIBIT # 21(b)

Pay-off witnessed by

Commission Representative

14-912

Madison Square Garden.
Boxing

MSC Communications Group
Two Pennsylvania Plaza
New York, NY 10121-0091
212-465-6000
Fax: 212-465-6010

November 26, 1991

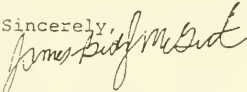
Mr. Chuck Minker
Executive Director
Nevada State Athletic Commission
Las Vegas, Nevada

Dear Mr. Minker:

I respectfully request that checks to cover my purse
for my bout against Simon Brown on November 29th be
made payable to Alfred Certissimo Inc.

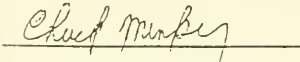
Thank you.

Sincerely,



James "Buddy" McGirt

Approved:



Senate Permanent Subcommittee
on Investigations

EXHIBIT # 21 (c)

A Paramount Communications Company

UNITED STATES SENATE
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
COMMITTEE ON GOVERNMENTAL AFFAIRS

IN RE THE MATTERS OF:)	AFFIRMATION OF
)	
CORRUPTION IN PROFESSIONAL)	<u>ALFONSE D'ARCO</u>
BOXING)	
)	
)	

I, Alfonse D'Arco, under penalties of perjury, declare:

On August 23, 1982, I was inducted into the Luchese organized crime family. In May of 1990 I was appointed acting boss of the Luchese family by then boss, Vittoria Amuso, who had fled a federal indictment.

In September of 1991 I attended a meeting of Luchese members in the Hotel Kimberly in Manhattan. At the meeting I was under the strong impression that members or associates of the Luchese family were planning to kill me. I fled the September meeting and, soon after, decided to cooperate with Federal authorities to protect my family and myself. I am currently in protected Federal custody.

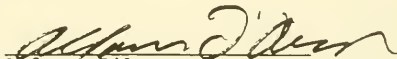
As a high ranking member of the Luchese crime family I have knowledge of the identity and activities of other members and associates of the Luchese family.

I am familiar with Andrew Licari of Northern New Jersey. Licari is a member of the Luchese family. Licari was brought in by a relative of Licari's and Luchese member Leonard Pizzolatto. Licari is involved in loan sharking and several other businesses.

I am also familiar with Marco Minuto and his brother Lenny Minuto of Dobbs Ferry, New York. Marco Minuto has associations with several organized crime families. Marco Minuto and Lenny Minuto are also part of the Luchese crew run by Luchese caporegime Joey Giampa. Marco Minuto is involved with an ice company located in Hunts Points Market, New York.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct except as to those matters alleged on information and belief and, as to those matters, I believe them to be true.

Executed this 12 day of March, 1993.


Alfonse D'Arco

INVOICE NUMBER PURCHASE ORDER INVOICE DATE AMOUNT DEDUCTION NET AMOUNT

To cover the balance of James McGirt's purse for the November 29, 1991 fight.

11/27/91 \$40,000.00

\$40,000.00

MADISON SQUARE GARDEN CORP.

505394

PLEASE DETACH BEFORE DEPOSITING ↓



MADISON SQUARE GARDEN CORPORATION
TWO PENNSYLVANIA PLAZA
NEW YORK, NEW YORK 10121-0081

505394
THE BANK OF NEW YORK
WHITE PLAINS, NEW YORK 10619

PAY

ALFRED CERTISSIMO INC.

DATE

11/27/91

CHECK NO.

505394

NET AMOUNT

\$40,000.00

TO THE ORDER OF

ALFRED CERTISSIMO INC.

MADISON SQUARE GARDEN CORPORATION

Robert Lord
AUTHORIZED SIGNATURE
BROOKLYN

⑈00505394⑈ ⑆021908288⑆ 98⑈113967⑈

Senate Permanent Subcommittee on Investigations

EXHIBIT # 33(e)



MADISON SQUARE GARDEN CORPORATION
TWO PENNSYLVANIA PLAZA
NEW YORK, NEW YORK 10121-0091

THE BANK OF NEW YORK
WHITE PLAINS, NEW YORK

505394

50-628
218

PAY

DATE

CHECK NO.

NET AMOUNT

EXACTLY 400

11/27/91

505394

\$40,000.00

TO THE
ORDER
OF

ALFRED CERTISSIMO INC.

MADISON SQUARE GARDEN CORPORATION

⑈00505394⑈ ⑆026908286⑆ 98⑈133967⑈

Alfred Certissimo Inc.

Senate Permanent Subcommittee
on Investigations

EXHIBIT # 33(h)

Madison Square Garden
Boxing

Senate Permanent Subcommittee
on Investigations

EXHIBIT # 33I

MSG Communications Group
Two Pennsylvania Plaza
New York, NY 10121-0091
212-455-5996
Fax 212-455-6010

Bob Goodman
Vice President & Matchmaker

Al -

I gave Stu the whole breakdown on the fight and Buddy's money.

He will actually receive a total of \$750,000.00 for the fight.
We still owe him \$50,000.00.

His sanction fee to the WBC was \$18,750.00.

His training expenses that he received were \$75,000.00.

I paid Stu the balance. \$40,000.00 was in cash and the remainder
in a check to Alfred Certissimo Inc. We had Stu sign a receipt
for the cash.

Any further questions, just call.

Bob

A Paramount Communications Company

WBC WELTERWEIGHT CHAMPIONSHIP

Senate Permanent Subcommittee
on InvestigationsEXHIBIT # 38BOOT AGREEMENT WITH OPTIONS

1991 AGREEMENT dated this 26 day of November,
 1988 by and between MADISON SQUARE GARDEN BOXING, INC., a New
 York corporation, with offices at Four Pennsylvania Plaza, New
 York, NY 10001 ("Promoter"), James McGirt, having an
 address at 195 Suffolk Avenue, Brentwood, NY 11717
 ("Boxer") and Al Certo, the manager of Boxer, having
 an address at 1259 Patterson Plank Road, Secaucus, NJ
 ("Manager").

W I T N E S S E T H

In consideration of the mutual covenants and agreements
 herein contained the parties hereto agree as follows:

1. Boxer will engage in, and Promoter will promote or
 co-promote, a boxing contest with Simon Brown, or another
 opponent designated by Promoter after consultation with Boxer
 ("Opponent"), scheduled for twelve (12) rounds to a
 decision (the "Bout"). Boxer will weigh-in for the Bout at no
 more than 147 lbs. The Bout will be held at
the Mirage Hotel, Las Vegas on November 29, 19891 or at
 such other place or on such other date as Promoter may designate
 after consultation with Boxer. The Bout will be conducted in
 conformity with the rules and regulations of the Athletic
 Commission having jurisdiction at the location for the Bout, or
 if there is no such commission, the New York State Athletic
 Commission and in accordance with the rules and regulations of
 the world governing body, if any, having jurisdiction over the
 Bout. World Boxing Council Championship Rules.

2. Boxer and Manager grant to Promoter (i) all rights
 required to stage the Bout and to sell tickets of admission to
 the Bout to the public; (ii) the exclusive and unrestricted right
 to exploit the Bout worldwide, in perpetuity, through all forms
 of electronic media exploitation now known or hereafter created,
 including without limitation standard commercial or noncommercial
 over-the-air television, basic or pay cable, pay-per-view, closed
 circuit and other forms of non-standard television and cassette,
 disc and other forms of home exhibition; and (iii) all other
 rights, privileges and benefits incident to or arising out of the
 foregoing and the promotion and exploitation of the Bout,
 including without limitation the right to retain all revenues
 therefrom and to obtain copyrights or other protections
 throughout the world with respect thereto.

3. Boxer and Manager grant to Promoter the exclusive
 right to use in any and all media the name, likeness and
 biographical material of Boxer, Manager and Boxer's trainers,

handlers and seconds, for the purpose of advertising, promoting and merchandising the Bout, including without limitation the distribution or sale of souvenir programs in connection with the Bout. The Promoter shall further have the right to use the name of Boxer, his photograph and other likeness on commercial and merchandising tie-ups and advertisements, banners, buttons, posters, souvenir items and all similar products in connection with the Bout. In no event shall any such name, likeness or biographical material be used as a direct endorsement of any commercial product or service.

4. As full consideration for all of the rights herein granted to Promoter and for the complete performance by Boxer and Manager of their obligations provided for herein, Promoter agrees to pay Boxer the sum of Seven hundred thousand* (\$700,000.00) Dollars upon completion of the Bout. Promoter shall also provide at no cost to Boxer, round trip transportation from Boxer's home city to the site of the Bout for seven (7) persons (including Boxer) as well as seven (7) hotel rooms and a reasonable food allowance for such persons (and training facilities, if appropriate) for the number of days designated by Promoter. Promoter will further provide Boxer with ----- (---) complimentary tickets to the Bout, which tickets may not be sold, bartered or otherwise transferred by Boxer for any consideration whatsoever.

5. Boxer will arrive at the site of the Bout at least twenty-one (21) days prior to the date of the Bout, if so requested by Promoter.

6. Boxer and Manager agree that they will cooperate and assist in the publicizing, advertising and promoting of the Bout, and that they will appear at and participate in a reasonable number of joint or separate press conferences, interviews and other publicity or exploitation appearances and activities (any and all of which may be telecast, broadcast, cablecast or otherwise recorded), at times and places designated by Promoter upon reasonable notice to Manager.

7. (a) Boxer and Manager represent, warrant and agree that each is free to enter into this Agreement and that neither one has entered or will enter into any contract or agreement in conflict with the provisions hereof or which purports to grant to another similar or conflicting rights or which would or might interfere with the full and complete performance by Boxer and Manager of their respective obligations hereunder or the free and unimpaired exercise by Promoter of any of the rights herein granted to it. Boxer and Manager also represent that there are no pending claims or litigations affecting Boxer or Manager which would or might interfere with the full and complete exercise or enjoyment by Promoter of any rights granted hereunder.

(b) Boxer and Manager further represent, warrant

*Six hundred twenty five thousand dollars plus seventy five thousand for training expenses.

and agree that Boxer shall not perform in a boxing contest or other athletic contest between the date hereof and the date of the Bout.

(c) Boxer and Manager further represent, warrant and agree that no advertising or promotional material will appear on their clothing or the clothing of any member of their entourage worn in connection with the Bout, other than the name of the manufacturer thereof as may normally appear on such clothing, without the prior written approval of Promoter.

8. Boxer and Manager hereby acknowledge and agree that the services to be rendered or furnished by Boxer and the rights granted to Promoter hereunder are of a special, unique, unusual and extraordinary character, giving them peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law and would cause Promoter irreparable damage and injury. Boxer and Manager, therefore, agree that Promoter shall be entitled to injunctive or other equitable relief to prevent any breach or default hereunder, which shall be in addition to and without prejudice to any other fights or remedies Promoter may have in such event.

9. Promoter shall have the right at its election to obtain life or other insurance upon Boxer in such amounts as it may determine at its cost and expense, including, but not limited to, insurance against the failure of Boxer to appear and to participate in the Bout; and neither Boxer nor Manager shall have any right, title or interest in such insurance. Boxer and Manager agree to cooperate and assist in Promoter's obtaining such insurance, including submitting to such physical or other examinations of Boxer as may be required to obtain such insurance.

10. In the event the Bout is to be commercially telecast or cablecast, Boxer and Manager agree that each will comply (and that they will cause all members of Boxer's entourage to comply) with all the terms and conditions for which compliance is required by the network responsible for such telecast or cablecast. Promoter agrees to provide Boxer and Manager with all such terms and conditions of the applicable network as soon as is reasonably practicable prior to the Bout.

11. Notwithstanding anything in this Agreement to the contrary, if the Bout is delayed or prevented by reason of any act of God, fire, flood, public disaster, strike or other labor difficulties, refusal or inability of any fighter (including, but not limited to, Boxer and/or his opponent) for any reason whatsoever (including, but not limited to, a defeat or other value-lessening event causing Promoter to terminate such fighter's contract) to participate in a boxing contest included on the fight card of which the Bout is a part, which results in the cancellation of the card or otherwise prevents the Bout, or any other cause, whether of a similar or different nature, beyond

the reasonable control of Promoter, including without limitation termination or cancellation of the site agreement or the agreement for the broadcast or cablecast of the Bout, as the case may be, for reasons out of the reasonable control of Promoter, then Promoter shall not be liable to Boxer therefor, and Promoter may, but shall not be obligated to, (i) postpone or reschedule the Bout so delayed to a date within six (6) weeks of the date on which the Bout was originally scheduled or such longer period as Boxer and Promoter may agree upon, (ii) in the event the Opponent in the Bout refuses or is unable to participate in same, to substitute another opponent, or (iii) cancel the Bout and terminate this Agreement in which event Promoter shall have no further liability or obligation to Boxer with respect to the Bout. Nothing in this Paragraph shall be deemed to limit the liability of Boxer in the event of his refusal to fight other than for reasons of injury or illness which prevents him from fighting, as certified by a licensed physician authorized to so certify by the athletic commission having jurisdiction over the Bout.

12. (a) Boxer irrevocably grants to Promoter the right (the "Option") to secure, arrange and promote Boxer's next five (5) professional boxing contests following the Bout (hereinafter referred to individually as the "Additional Bout", and collectively as the "Additional Bouts") each such Option to be exercisable at any time within two (2) months from the date of Boxer's last Bout or Additional Bout, as the case may be (the "Option Period"), by written notice to Boxer. Each of the Additional Bouts, if any, with respect to which Promoter has exercised its Option shall be conducted pursuant to the terms and conditions set forth in this Agreement and each of the parties hereto shall have all of the rights and obligations with respect to the Additional Bouts as they have with respect to the Bout. As soon as reasonably practicable following notice of exercise of an Option, Promoter shall notify Boxer of the location and date of such Additional Bout (which date shall not be more than four (4) months from the date of the prior Bout) and the opposing fighter and will consult with Boxer with respect thereto. Boxer represents, warrants and agrees that he shall not perform in a boxing contest or other athletic contest during any Option Period or prior to the occurrence of an Additional Bout if Promoter has exercised its Option with respect to such Additional Bout.

(b) In consideration for the grant of such Options, Promoter will use its reasonable efforts to arrange each Additional Bout during the applicable Option Period.

(c) In the event that Promoter exercises one or more of the Options, Promoter shall pay Boxer, on condition that Boxer fully and completely performs all of the services required to be performed by Boxer hereunder and as full consideration for such services and the rights granted hereunder, as follows:

(i) for the first Additional Bout, if any, a sum determined by Promoter but in no event less than two hundred fifty thousand----- (\$250,000) Dollars, plus such other remuneration and expense allowances as may be provided for in Schedule A;

(ii) for the second Additional Bout, if any, a sum determined by Promoter but in no event less than two hundred fifty thousand----- (\$250,000) Dollars, plus such other remuneration and expense allowances as may be provided for in Schedule A; and

(iii) for the third Additional Bout, if any, a sum determined by Promoter but in no event less than two hundred fifty thousand----- (\$250,000) Dollars, plus such other remuneration and expense allowances as may be provided for in Schedule A.

(iv) & (v) as in i, ii, and iii above for fourth and fifth additional bout

(d) In the event that Promoter does not exercise the next available Option for an Additional Bout during the applicable Option Period pursuant hereto, Boxer shall be free to accept a third party offer and engage in a boxing contest following such Option Period and neither Promoter, on the one hand, nor Boxer and Manager, on the other, shall have any further rights or obligations to the other with respect to such Additional Bout.

(e) Notwithstanding Promoter's election not to exercise one of its Options within the applicable Option Period, this Agreement and any additional Options held by Promoter for subsequent Additional Bouts shall continue in full force and effect during subsequent Option Periods.

13. In the event that Boxer, or the Opponent, asserts that he is disabled, due to an injury or sickness, from appearing in any of the Additional Bouts, Promoter may extend the Option Period for a period of time equal to the period of such disability. Any dispute between the parties relating to the term of such disability shall be decided by and subject to the rules of the applicable state athletic commission or, in the absence of such commission, by the New York State Athletic Commission.

14. Each of the parties hereto agrees to execute and deliver any and all further documents necessary to carry out the purposes hereof, including without limitation any standard form contracts required by the applicable athletic commission.

15 All notices, requests, demands and other communications which are required or may be given pursuant hereto shall be in writing and shall be deemed to have been duly given on the date received if delivered personally or sent by registered or certified mail, telex or cable, postage prepaid, to the parties at the addresses and set forth in this Agreement (or at such other address as a party may designate by notice pursuant

to this Paragraph) and, if to MSG, with a copy to: Madison Square Garden Corporation, Two Pennsylvania Plaza, New York, New York 10121-0091, Attention: General Counsel. Any notices requests, demands or other communications which are required or may be given to Boxer hereunder may instead be given to Manager unless Boxer specifically requests otherwise in writing to MSG.

16. This Agreement shall be construed under the internal law of the State of New York, applicable to agreements fully executed and to be performed therein.

17. Nothing contained in this Agreement shall be deemed to constitute a partnership or joint venture between us or constitute Promoter as your agent or you as Promoter's agent nor shall anything in this Agreement be construed to constitute you as an employee of Promoter, and you hereby represent and warrant to Promoter that you are and will remain an independent contractor.

18. Neither Boxer nor Manager shall have the right to assign or otherwise transfer their rights or obligations under this Agreement. Promoter shall have the absolute right to assign, license, sublicense or otherwise transfer any of its rights or obligations hereunder to any person or entity whatsoever.

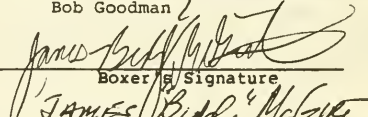
19. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and supersedes and replaces all prior and contemporaneous warranties, representations and agreements, whether written or oral, with respect thereto and may not be amended or modified except in a writing executed by the party to be charged therewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

MADISON SQUARE GARDEN BOXING, INC.

BY: 

Bob Goodman


Boxer's Signature

JAMES B. MCGEE
Name of Boxer


Manager's Signature

AL CORIO
Name of Manager

Senate Permanent Subcommittee
on Investigations

EXHIBIT # 48





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Senate Permanent Subcommittee
on Investigations

Oregon

EXHIBIT # 49

BOXING AND
WRESTLING
COMMISSION

May 4, 1993

Mr. Stephen H. Levin
Staff Counsel - U.S. Senate
Permanent Sub-Committee on Investigations
Rm 193 - Russell Senate Office Building
Washington, D.C. 20510

RE: Correction on S. HRG 102-1013, Aug 11, 12 1992
Corruption in Professional Boxing

Dear Steve,

On page 190, 2nd paragraph of above referenced publication there appears incorrect information regarding the regulation of Boxing in the State of Oregon.

The Oregon State Boxing and Wrestling Commission was created by the Legislature in 1987, and remains the sole regulator of those activities within the State. Prior to 1987 there existed several municipal commissions (including Portland).

We regulate Boxing, at least in our opinion, the way it should be regulated, consequently we have little activity. It is said by some in the industry the "you cannot work" with us. I think that translates to, "you cannot work the Oregon Commission."

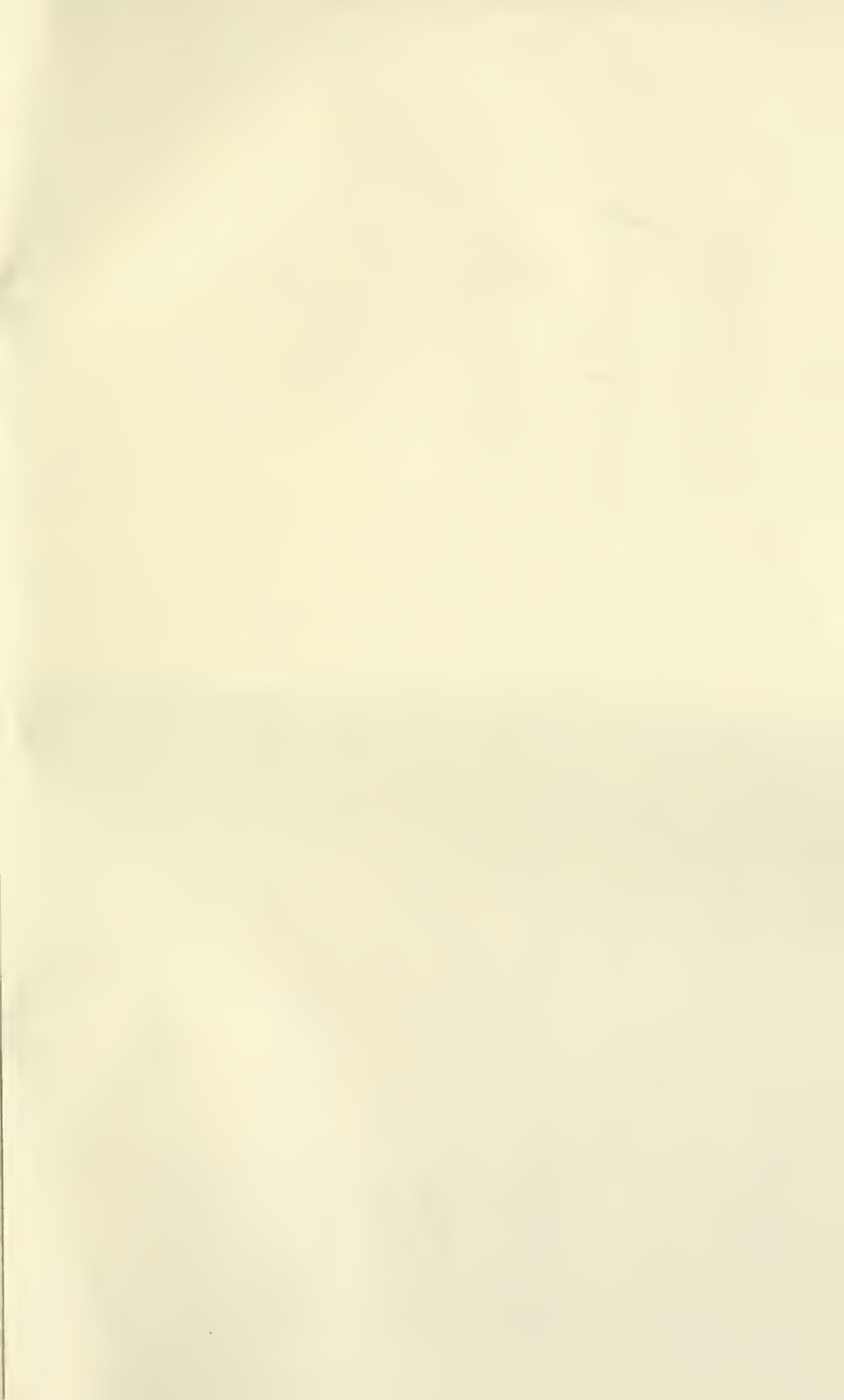
Sincerely,

Bruce Anderson
Executive Director

BA:jh

Barbara Lubin
Governor

9450 SW Commerce Circle
Suite 315
PO Box 901
Wilsonville, OR 97070
(503) 682-0582
FAX (503) 682-2751



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